

# STATES OF JERSEY

## Economic Affairs Scrutiny Panel Tourism Private Public Partnership

**MONDAY, 22nd JUNE 2009**

**Panel:**

Deputy M.R. Higgins of St. Helier (Chairman)  
Deputy D.J.A. Wimberley of St. Mary  
Deputy C.F. Labey of Grouville  
Deputy S Pitman of St. Helier  
Deputy J.M. Maçon of St. Saviour  
Mr. T. Oldham (Scrutiny Officer, Tourism Private/Public Partnership)

**Witnesses:**

Mr. D. de Carteret (Director of Tourism and Marketing)  
Mr. S. Le Huray (Marketing Manager, Jersey Tourism)  
Ms. D. Le Marrec (Product Development Manager, Jersey Tourism)  
Ms. H. Grimes (Visitor Services Manager, Jersey Tourism)

**Deputy M.R. Higgins of St. Helier (Chairman):**

First of all, I would like to welcome you to this hearing effectively the purpose of which is to give us information upon which the Committee can come up with its views on the proposals. I would like to start by introducing members of the Committee. On my right ...

**Deputy C.F. Labey of Grouville:**

Carolyn Labey, Deputy of Grouville.

**Deputy M.R. Higgins:**

Obviously I am Mike Higgins and on my left ...

**Deputy J.M. Maçon of St. Saviour:**

Deputy Jerry Maçon of St. Saviour.

**Deputy M.R. Higgins:**

Tim Oldham here is our Scrutiny Officer.

**Mr. D. de Carteret (Director of Tourism and Marketing):**

Shall we do the same, shall we?

**Deputy M.R. Higgins:**

Yes. That is the next thing. I will get each of you to go through in turn and identify yourselves so we can pick up who you are.

**Mr. D. de Carteret:**

I will let the others say who they are. There is one colleague missing this morning, Mike Tait, who is on leave this week so unfortunately he could not be with us, but essentially you have got the management team for what is currently constituted as Tourism. I am David de Carteret and I am the Director of Tourism and Marketing so, therefore, head of the team.

**Mr. S. Le Huray (Marketing Manager, Jersey Tourism):**

I am Simon Le Huray. I am Marketing Manager, Tourism and responsible for marketing promotions across the U.K. (United Kingdom), France and Germany which includes trade, airline support and local support.

**Ms. D. Le Marrec (Product Development Manager, Jersey Tourism):**

I am Donna Le Marrec. I am the Product Development Manager at Jersey Tourism and my role is about creating reasons for people to visit. That includes things like the festivals and events, the walking product, cycling, those sorts of initiatives.

**Ms. H. Grimes (Visitor Services Manager, Jersey Toursim):**

My name is Hilary Grimes and I am the Visitor Services Manager at Jersey Tourism so the public office, and also managing the public face and the front facing section, our central reservation system, Jersey Link. So, managing inquiries, pre, post, during holidays and dealing with local clientele as well and supporting, feeding back into my colleagues regarding campaigns that are being run.

**Deputy M.R. Higgins:**

Jerry, can you just angle that microphone over? It will just make it easier. As I say, we have been going through the papers that have been produced and spoken on so far but the main purpose of the hearing today is just to hear from you and obviously from what you say to asking questions and try to get a greater understanding of what is proposed and the implications. So, we will hand over, first of all, to David. If you would like to tell us what you would like to tell us about the P.P.P. (Private Public Partnership) and how it is developed.

**Mr. D. de Carteret:**

I think the first thing to say really is that we probably will need fairly rapidly a version 6. The last version of the paper that was produced was called version 5, not surprisingly, and it does need to be updated because certain things have happened in the intervening period. The final draft was completed about September last year and, I think, since then there have been quite a number of things that we have discovered. It is not that anything was wrong particularly. It is just that certain information has come to light since then. We have done some more work on it. Specifically there are 3 areas that I think I need to sort of brief you on really. One is what is called past service debt which is the pension arrangements. There are 22, 23 people currently employed within the department, all of whom are on the pension scheme, and we had the actuaries carry out a study as to what the past service debt would be and that has now come in, going through the proper channels, at £1.4 million. Now, what that means is not necessarily that that money has to be found but that is the liability that the States currently has, so if we go to a private organisation and draw a line under things that money would have to be found in order to clear the previous debt. There is the possibility, and we are just checking this out at the moment, that a

secondment could take place with any members of staff moving to the new organisation and still remaining within the pension scheme. If that happens, of course, then that problem is resolved but, at the moment, as things stand, we are talking about £1.4 million as being the past service debt. That was not factored in. There is some stuff about pension in there, but we did not know that at the time when we did that. The second thing is in regard to I.T. (Information Technology) because as you probably realise we are an organisation that is totally dependent on I.T. for virtually every aspect of our business, from the website right through to office systems. We have undertaken a study there using a firm of external consultants and they have now come up with the cost, the true cost, of managing the I.T. requirement that the new organisation would have. That effectively comes out at a one off £300,000 to move outside of the States and to buy the equipment and licences and all the things that we would require and an ongoing £300,000 per year which would be the ongoing, if you like, cost of I.T. That was not factored in at the time. As I say, it is not a mistake, it is just that we did not have all the information when we wrote the paper - I was going to say, a year ago, but it is probably 18 months ago now that paper was originally drafted. The third thing is the revenue budget. You will see in the paper that the main thrust, if you like, is that there would be a £5.3 million revenue transfer for marketing activity and that would be coupled with a staff revenue cost. As far as the paper is concerned, that comes out at £5.5 million which would be the States of Jersey contribution ongoing to the new entity. Since then, and it is over a 2 year period, our revenue budget has dropped by approximately £1 million for next year because economic development has had to face cuts and so on. That rather changes the whole framework of the structure of the budget. It is now £4.3 million plus staff which would be presumably still £1.2 million, so we are now probably looking at £5.5 million instead of what would have been £6.5 million. So, it is about £1 million less. That, I think, is important because obviously it does rather change the whole of the structure and you see there is a very complicated - and I am sorry it is complicated - table contained within the report which shows revenue coming in from the industry, revenue coming in from the States, new costs coming in and new revenue coming in. When all that is factored out ... it is incredibly complicated but it does show that within a year or so, the thing would probably be standing on its own 2 feet financially. I think that is now more difficult because of this budget cut. So, those are the things that I think need to be addressed in a version 6 paper which

obviously we are going to write. I do not think it is going to take all that long because the core paper is still there but I think it does need to be addressed. I think the Council of Ministers need to re-see it, because when they saw the last paper it was 7 months ago, I think it was, their last meeting before they broke up for end of term and I think they probably need to re-see that in the light of the new figures and indeed you need to see that as well so that any decisions in the future that are taken are taken with the correct information being available. That is the update really. Moving on, I think the issues are really all about money. I think there is absolutely no doubt that if this happens in the way that is being suggested, there are going to be quite serious challenges getting money in from the industry and my principal concern ... I think the benefit is that giving the industry more of a say in what goes on is a very good thing to do. I think we would all welcome, but I do fear, and I think my colleagues feel the same, that our experience of working with the industry is that it is extremely difficult to get them to contribute satisfactorily to the marketing activities that we undertake. So, I think that probably is the key thing. The other thing that I think probably is worth just touching on now is the Hospitality Association and their desire to remain outside of this thing until, I think they state, 2012. That, I have to say, from our perspective does not fill us with confidence because if you really believe that this is the right thing to do, why would you not subscribe to it? So, it is asking the States to put all of its assets into something and people who are really pushing for it are not prepared to put their assets into it. I have a feeling that that is not a recipe for a good, ongoing relationship. So, I think all in all, I think there are some good things here. We really do think that having a board and having a good structure is the right way forward. We do not feel constrained, I have to say. One of the things that has been suggested is that sometimes we have been constrained by what we do because we are part of the government, part of the system. I have to say that in my experience I have never felt particularly constrained because the things we try and do are the right things and the sort of things that go on in other places. I do not feel constrained and I do not think we ever have done. I think we feel that we are in a position to do what needs to be done. We have always had very good budgets and that is good. They are reducing, but those are the circumstances in which we currently live. I think that is quite crucial in a way because Jersey has been successful in many respects because of its ability to market very hard and we have always done that. I think if we lose that opportunity for any reason then I think we really do struggle because a lot of our

accommodation, a lot of the product that we have does need strong marketing. We have got some very good 4-star hotels but not all of it, if you look across the complete range, is up there in the way that it might be. We have got some weaker stuff and some of the weaker stuff, the only way you can sell that effectively is by very strong marketing by the Jersey brand being so powerful in the marketplace. So, I will take a breath at that point and have a glass of water.

**Deputy M.R. Higgins:**

Just wondering also if you could take us through from your perspective of the move for the P.P.P., so where did the actual sort of impetus for the P.P.P. come from and what sort of involvement have your staff in this process?

**Mr. D. de Carteret:**

The initial impetus goes back to probably about 4 or 5 years ago, I would have thought, and it started off as a sort of takeover bid where the Hospitality Association put forward a sort of proposal which would have seen them take responsibility for tourism and take the budget and move on from there. It has obviously been changed since that moment of time and it has become more of a sort of partnership approach. But that was the initial thing. We then did, what was called, *The Locum Report* which was, I think you have seen, and it is certainly referred to in the documents, which showed what goes on in other places and it is true to say that there is a whole variety of different ways of doing this sort of thing. I mean, the example that you see here is an example. There are examples where there are potentially things like a board plus an internal structure. There is all sorts of different things and I think whatever emerges has to be something anyway that suits Jersey. Merseyside is a very good example. I went there as part of the fact-finding activity. What you have there is a situation where large organisations based in Merseyside are happy to put money into what is called the Mersey Partnership, which is the tourism promotion agency, and that is very strong, but it would never happen here because the organisations here that would be potentially able to do that have already got their own organisations. They have got Jersey Finance and they have got Chamber of Commerce and they have got other means by which they could do that. So, I think what I am saying there is it has to be tailored according to the

particular needs of the organisation. So, if you like, its gestation period over a period of years started off with almost, as I say, a sort of hostile take over and then it gradually sort of got changed to what is now seen as more of a partnership approach, with the help of the locum people who wrote the report on it. As regards the staff, and they can speak for themselves, I think it is true to say the staff have been aware of it. I think most are unsure of what the situation would look like. I think there is a certain degree of uncertainty that everybody has been given assurances that they will not be made redundant or anything of that sort so I think people have a reasonable feeling that they are not going to be cast adrift in some way. Those assurances have been done verbally, nothing in writing at this moment in time but clearly people in the pension schemes and so on feel that they want to make sure that they are not going to suddenly find themselves in a difficult situation. But I think generally across the board, people can see it. I think at junior level I do not think people have a strong view about it one way or the other. I think it is probably the higher you go up the ladder you tend to sort of be more concerned I expect.

**The Deputy of Grouville:**

Can I ask in your revenue figures here, do they include a nominal amount for the use of office, the tourism buildings?

**Mr. D. de Carteret:**

It does in the £500,000. You see it as a figure in there which is £500,000 for new costs because E.D.D. (Economic Development Department) have said that they would transfer the marketing budget and the staff budget into the new organisation, but they would not transfer what are called the admin costs which would include rent, telephones, motor vehicles, any of that sort of stuff. That would not be transferred. That would have to be found from ...

**The Deputy of Grouville:**

So, the States are going to supply that, the office space?

**Mr. D. de Carteret:**

No, not necessarily. That would have to be found. In the way that the table is structured those costs would be part of the new revenue that would have to be found and, at the moment, it is in that £500,000, which is our estimate, because we would need some additional staff. If we go for a full P.P.P. in our existing establishment, we have no finance staff, we do not have membership staff and we would need a membership scheme. We do not know any H.R. (Human Resources) so we would probably have to buy that in. So, we have estimated that plus rent plus the other stuff that would be required. We estimated at £500,000, and I said in my opening remarks I think that now needs to be amended upwards, so the rent is not part of that. That was, if you like, the benefit, the financial benefit, to the States. That is how that would be structured with the States. There has to be benefits for everybody and the States benefit would be that they would not transfer those costs. The new organisation would have to find that.

**Deputy M.R. Higgins:**

But they are getting a saving on that.

**Mr. D. de Carteret:**

They would get a saving on that, yes.

**Deputy M.R. Higgins:**

Can I ask you as well, you mention that in the structures put forward it is the marketing budget and the staff that are going across, but the proposal is wider than that because it includes the Tourism Development Fund and also the Conference Bureau. Can you explain what is the plan there and why?

**Mr. D. de Carteret:**

Yes. I do not think the Tourism Development Fund would transfer. I think that probably would stay. I do not think that would be transferred. Although it is referred to in there, I suspect it is unlikely. The thing with the Conference Bureau is that of course it is already a P.P.P. and we fund it so it would be rather ridiculous to have a P.P.P. funding another P.P.P. So the thinking was that we would amalgamate the Conference Bureau into the operation, still keep running conference business as a separate line of



business activity, but the staff would be integrated with the other staff because everybody would then be outside effectively the State so you might as well integrate them together. The Commercial Manager of the Conference Bureau, not Hamish who you are meeting this morning, he is the General Manager who is responsible for sales and marketing, but the Commercial Manager who is based here, her role would extend to a broader membership remit so she would be doing membership for Tourism as well as membership for the Conference Bureau and so on. So, there was an integration of Conference Bureau but probably not T.D.F. (Tourism Development Fund) because T.D.F is all about capital grants really and it does not necessarily fit well in this sort of organisation.

**Deputy M.R. Higgins:**

It seems rather strange in one sense if you are creating a P.P.P. that, one, you would not try to encompass that side of it as well, the idea of if the States are coming round to improvement in the infrastructure and so on that they would not be part of this body. Secondly, there is all the talk about marketing, but there is not the talk about the events, for example, that Donna is talking about. Where does that fit into this then because it is all marketing? Is there going to be a budget for events and things going forward or what?

**Ms. D. Le Marrec:**

I think what my team do is considered to be part of that marketing activity, but I think what my concern is that at the moment because of budget cuts over the last 2 to 3 years and again for next year, at the moment we are only sort of grant funding 3 events apart from the sort of things that we do in-house such as Liberation Day, Fête dé Noué, those sort of things, but my concern is that while the industry might be keen because they do already work with Simon on a joint marketing activity where they promote their own establishments, I do not know how keen they would be to put funding into Battles of Flowers, Air Display, Fête dé Noué, Liberation Day. A lot of those events are not perceived as being that cool. You know, whenever I read about events in the paper it is always about Jersey Live and Grass Roots and Branchage which are fantastic events, but there is a whole gamut of events and activities that take place during the year, probably about 50 odd events and all of that is part of the promotional activity. They

are the reasons to visit, they form part of the campaigns that our P.R. (Public Relations) team work on and, of course, the marketing. An autumn campaign, for example, would always mention the Fête de Noué, the Fête du Siege(?), the Black Butter, those sorts of events.

**The Deputy of Grouville:**

My understanding was to form this P.P.P. it would sort of form an organisation that would umbrella the whole thing, tourism as it were, but it sounds as if the Tourism Development Fund is not going to be amalgamated, some of the events are not going to be amalgamated and I would like to know how you feel about it. Do you feel that it is going to be split more?

**Mr. D. de Carteret:**

I do not think so. I think the events would form part of it because the funding for those events is part of that £4.3 million that is being handed over. I think what would have to happen though is that there would probably need to be a service level agreement between the States and the new organisation to make sure that those things were funded on an ongoing basis because if you left it to a private organisation, they may not want to fund ... let us talk about the Battle because that is something that is not directly related to anybody here. The Battle is often criticised by the industry as being too expensive. Jersey wants to see the Battle of the Flowers continue so I think that would have to be covered by some sort of agreement at a particular level to ensure that it did so. That is probably all you need to do. I think the T.D.F. is a slightly different sort of entity in a way because the T.D.F. is running out of money anyway so it remains to be seen exactly where that might go, but let us assume that it has new funding coming in to enable it to continue. At the moment there is about £400,000, something like that, left in there but the structure of T.D.F. is such that the infrastructure is not being perceived as part of the new organisation. I mean, it is run as an E.D.D. thing. It has its own committee of which there are, I think, 5 or 6 members currently so it has very much got its own life really. Whether it sits inside or outside would not make a great deal of difference because it does have a chairman and its own 4 or 5 members within it.

**Ms. D. Le Marrec:**

It is not administrated by us now.

**Mr. D. de Carteret:**

No, we do not administrate it now. It is done by a colleague within Economic Development.

**Deputy M.R. Higgins:**

Can I ask you, looking at the P.P.P. this has been the model that has been put forward, are there any other alternatives that you have either considered, rejected or you think that could be a viable alternative to the P.P.P.?

**Mr. D. de Carteret:**

Yes, there are many. Personally I think that we are probably trying to take too big a leap in one go. I suspect that it would be more sensible to sort of try and take some bite size moves towards this, but certainly the concept of a board coming in but with the organisation staying roughly the same could work quite well. I think there are other ways in other places where it has worked very well where the P.P.P. if you like is structured as part of something else, working with, as I have mentioned, the Merseyside example where it is looking after other sectors of industry. I think whatever happens here has to be a Jersey example though because the structure of the Island is such that you cannot buck the trend and essentially we are going to be dealing with tourism. I do not think there is any scope to doing things with finance or indeed, to a very large extent, not much scope with retail. So, I think we are down to tourism and its related businesses, but I really think that it might make more sense to try and ... the thing might work better if you do it on a progressive basis and try and generate ... as I said earlier, I think it is all about the money coming in from the industry. That is where perhaps we lack confidence and I do not think money is going to come in in sufficient quantity on day one. I think we have got to build it up over a period of time and you do that by building confidence and building success through the organisation and I think that could be a more sensible way forward. It might have been that we would have put that forward as a proposal when we wrote the document, but I think it is true to say that

the Hospitality Association were very keen to go for the full blown entity and that is what we have got really. They have been quite a driving force as far as this is concerned so I think there are other options in other places as well.

**The Deputy of Grouville:**

How do you see this being different from what there is now with the Hospitality Association and Tourism? I mean, what is wrong with that because presumably the Minister can go for advice to the Hospitality Association or set up an advisory board?

**Mr. D. de Carteret:**

I suppose that the difference now is that the Minister at the moment would be taking advice from anybody obviously that he wished to take it from and predominantly the officers and so on and people like the Hospitality Association. Basically today we have got what we call a task force meeting where we are meeting with 20 members of the industry to hear their views on a variety of things so I do not think that any of that changes except, of course, that in a P.P.P. the Minister would not be making those decisions. The decisions would be made by the board in whatever structure that they were so the Minister, if you like, would probably have some influence over the board, but not necessarily the final decision as he does now.

**The Deputy of Grouville:**

Which brings me on to, do you see the board as is being suggested as inclusive and representative of the industry?

**Mr. D. de Carteret:**

To some extent, yes. I designed the board that is in the paper and we designed it specifically with an independent chairperson with somebody from the world of finance, somebody from the world of marketing, an independent, a representative of the Hospitality Association, a representative of Economic Development and somebody with financial responsibility. In other words, the accounting officer for the

department or his representative. So, that structure was, I think, fairly balanced. Whether it would give the Hospitality Association what they are looking for in terms of influence I do not know, but the way it is structured at the moment I think it is fairly well balanced.

**Deputy M.R. Higgins:**

Why do you think does the Hospitality Association want to remain outside it until 2012?

**Mr. D. de Carteret:**

I cannot answer that, I am afraid.

**Deputy M.R. Higgins:**

You cannot speculate on it?

**Mr. D. de Carteret:**

No. Well, I can but I will not. **[Laughter]** I think it would be wrong for me to say something on that.

**Deputy M.R. Higgins:**

We shall be asking them anyway.

**Mr. D. de Carteret:**

I think that would be more appropriate.

**Ms. D. Le Marrec:**

I think it is interesting when we talk about the Hospitality Association my personal view is that they are not truly representative of the industry. If we deal with the industry, we deal with people we work with. Personally I do not think I have ever gone through the Hospitality Association for anything. If we look at the current structure ...

**Mr. S. Le Huray:**

Well, the Hospitality Association actively exclude us. We are not permitted to attend any members' meetings.

**Ms. D. Le Marrec:**

We do not get their newsletters.

**Mr. S. Le Huray:**

We do not receive any communications from them despite requests.

**Deputy M.R. Higgins:**

That is interesting because obviously see P.P.P. as a very co-operative body and it looks like there is no real co-operation at all.

**Ms. D. Le Marrec:**

No. I would like to go back to your original point. Again, personally ... we have had the papers given to us. There has not been a huge amount of dialogue between ... certainly David has always been very involved, but the other managers have not been. I cannot even remember a meeting about the P.P.P., about the content, about how it is going to work out and my feeling is I can see some benefits in having a P.P.P. but I can also see quite a lot of negatives. Personally, I work very closely with other departments and particularly Transport and Technical Services, Planning and Environment because everything I do and my team does is about the local infrastructure. It is about dealing with the police, the emergency services, the bailiffs' panel and so for me to be removed from that in a private partnership agreement is quite worrying because at the moment I am a civil servant, I work for government and I am on an equal footing so to speak with my colleagues and they will listen to me. There is never any problem with meeting them and I have worked personally for 30 years in the public sector so I have a good network of people I work with. I think being removed from that would be quite interesting to see how that would physically work. It is possibly different for my colleagues because

they are more involved with industry members and particularly Hilary and Simon but that is one of my concerns really.

**Deputy M.R. Higgins:**

Again, I want to impress upon you, because some of the matters deal with staff issues which you may not want to be in the public domain we are prepared, as I say, at the end of this session, if you would like, to go into a private session so you can talk freely to us and we can hear what you want to say without fear of what may go outside and could possibly prejudice your situation in the future. So, again, just going back through the development of the P.P.P. from what you have said the impetus has come from the Jersey Hospitality Association. Have any other bodies within the industry been pushing for this type of a body?

**Mr. D. de Carteret:**

I am not aware of any.

**Ms. D. Le Marrec:**

Not really, no.

**Mr. D. de Carteret:**

I do not think so. I mean I am not sure that there are. The only other body that I can think that might comment would be the Chamber of Commerce Tourism Committee. I think that is what they are called; it is a section of the Chamber of Commerce. I think they are quite open-minded and I went to a meeting with them about a month ago. I think they were largely supportive, but Bob Henkhuzens, their chairman, said basically that because the Hospitality Association had taken the lead on this, they were quite happy to let them just run with the ball as it were and, therefore, did not get too involved. As I say with all these things, they are very complex and the devil is in the detail, is it not, in a situation like this? So, I think whoever is going to comment on it or get involved in it has to put quite a bit of time into really understanding it to understand what the implications are.

**Deputy M.R. Higgins:**

See on that, again, we have seen various papers but what we have not seen the consultation paper that has gone out to the public and to the wider industry. Has there been an attempt to consult widely?

**Mr. D. de Carteret:**

No.

**Deputy M.R. Higgins:**

There has not? Okay.

**The Deputy of Grouville:**

The Hospitality Association itself, how representative is that of the industry, like are the little beach shacks represented?

**Mr. D. de Carteret:**

They could be. They have a membership which would enable anybody like that to join and whether people choose to join or not is entirely a matter of their own choice and, of course, paying the subscription. There is nobody, as far as I know, who is barred from joining it and they have tour operators, they have restaurants, they have hotels, they have various other sections of membership.

**Deputy M.R. Higgins:**

Do they have the airlines included?

**Mr. D. de Carteret:**

I do not think they do.

**Ms. D. Le Marrec:**



They have transport companies.

**Mr. D. de Carteret:**

I think Condor might be a member but I do not think the airlines are. I may be wrong but I do not think so.

**Ms. D. Le Marrec:**

I think it is interesting if you look at what the Hospitality Association do deliver currently. They deliver some very core things such as training. They deliver the Bienvenue Programme which is funded I think by us, David?

**Mr. S. Le Huray:**

Yes, it is.

**Mr. D. de Carteret:**

It is funded by Economic Development through Enterprise.

**Ms. D. Le Marrec:**

Yes, so that is a core function which is very important to the industry. They tend to recruit from outside of the Island without which restaurants and hotels would not be able to manage. That is a very important function. They used to produce the accommodation guide, but they do not anymore so that is the reason why a lot of the industry used to participate, used to belong, was because they got their main promotional opportunity through the Jersey Hospitality Association and their staff. So, you take away the promotion of an individual establishment or business and you take away the opportunity to get staffing and it is quite a powerful group. Of course it is always lobbied politically. It is seen as a sort of separate lobbying force.

**Deputy M.R. Higgins:**

Recently there has been a change over. Did they not produce a guide or something which your department has now taken over? Can you explain a bit about that?

**Mr. D. de Carteret:**

Yes, the accommodation guide was produced by them. Has been for 50-odd years and we entered an agreement a year ago by which we now publish that because it is an important part of marketing and we were having all sorts of problems because we were doing the rest of the marketing and yet this publication in the middle of it all was being produced by them which was not necessarily on brand and not consistent. So, we entered an agreement with them whereby we effectively pay them their profit which is about £96,000 a year. We have taken it over and we now publish it as part of our family of brochures but they have retained their revenue, you know, the profit element of it so that is essentially what we have done. We have now rebranded it as one of Jersey's main publications. So, it is in our family. We have got the *What's On* at the airport, we have got our Pure Jersey which is our lifestyle magazine, we have now got the accommodation brochure and all that ties back into the website. It was a good thing to do from the customer perspective but, of course, there is a cost associated with it.

**Mr. S. Le Huray:**

So they are already in P.P.P. and if they are receiving £96,000 from our marketing budget for publication plus the support for the Bienvenue training from E.D. (Economic Development) they are already quite nicely funded.

**Mr. D. de Carteret:**

They get about £140,000, £150,000 a year from the States.

**Deputy M.R. Higgins:**

In terms of the tourism market and that, can you give us an update of where we are at the moment and what you see as the problems faced? What I am trying to get at here is once we are looking at P.P.P. in the context of the industry and the state of play at the moment and where it could be in the future, and

whether it is the best way forward. So, if you could give us an update that would be most useful?

**Mr. D. de Carteret:**

I will let Simon have a chat.

**Mr. S. Le Huray:**

I think this is where Jersey Tourism plays its strongest card because we are independent and impartial of any individual sector within the tourism sector or industry. In fact, I have worked in the industry 4 years today when I joined Jersey Tourism and I have been amazed over those 4 years how complex the distribution system and model it is in terms of the number of businesses and organisations that are involved in it from airlines to coach operators to restaurants to hoteliers to attraction providers. The issue with having a board who is representative of the industry, they are only representative of the bit that they are responsible for so if they are a restaurant or an attraction, they are interested in people once they are on the Island, not before they get to the Island. If you are a tour operator, and tour operators who are associated with travel agents represent 51 per cent of people coming from the U.K. so they are our biggest opportunity for increasing numbers and driving traffic into the Island currently. They are interested in what we do much more so strategically in terms of our branding within the U.K. because that stimulates interest and awareness of the Island and it generates bookings for them. So, all these little touch points are really, really important right across the model and it is like a spider's web. If you touch one bit, you damage all of it so you have to work cohesively across it. As Jersey Tourism stands at the moment as an independent government body, we can take that objective, independent view. Today, as David has mentioned, we are meeting with 20-odd members of the industry to discuss funding for £250,000 which we put a paper together because we looked at the whole market. We take impartial market analysis, we try to anticipate the way the market is going to go and we try to do the best for Jersey and Jersey's economy as a whole. Our opinion is that we spend more money in our autumn period coming up, the September period, because we know that next year is going to be even harder than it is this year. We are going to get the tail end of the recession plus there is a Royal Cup year coming up next year which traditionally will knock our numbers by double digit figures. So, what we are trying to

do is build a platform, put Jersey on the consideration list very early on in the holiday making process so as we get into the run up into Christmas Jersey is already on people's minds. We developed the wait list for people inquiring which we can then start following up on in January because a large bulk of bookings come in right at the beginning of the year. However, the industry are interested in us paying the money because there are certain sectors within the industry ... I spoke to a hotelier ... David and I met with 8 of the 4-star hotels who represent probably 30 per cent of our bed stock now which is the very high end of the market. These are the 4 and 5-star hotels that we have and where the massive amount of investment is being ... How much was it in that group?

**Mr. D. de Carteret:**

About £200 million I think.

**Mr. S. Le Huray:**

£200 million these hotels have invested in their product. Now, what they are interested in is shoulder months because that is their opportunity is in the spring and the autumn because that is typically when those high paying customers like to visit the Island, whereas July and August is very much the family market which they are not necessarily targeted at. So, some of the hotels that we are meeting with are trying to push and force us, including the Jersey Hospitality Association, into spending that money right now whereas what we are saying is that we know that, from our statistics, which are published and discussed with the industry, we are 30 per cent up on inquiries. We know that all the tour operators are getting very high inquiry levels. We are 100 per cent up on people visiting Jersey.com so we know the awareness and the advertising and the marketing that we are doing has been very successful. What Jersey Tourism cannot do is make a booking because we do not have a product to sell, we do not have an airline, we do not have a hotel, we do not have a restaurant. So, that is what we do. We generate the awareness and we bring - sorry, it is a rather crass expression - the horse to water. It is then down to them to make that horse drink with their offers, with their product and with their fares depending on the way that they do it. I think that if Jersey was to go to a P.P.P. that opportunity or that objective looking at the market and that strategic advice to the Minister would be lost because a board ... as in when I first

started within the organisation there was a board and it was made up of a cross-representation of the industry. But in my opinion, Jersey Tourism is about a lot of money keeping a lot of people happy and it was not necessarily focused on the results, whereas now we are completely focused on results, we are completely focused on getting inquiry levels in and we are completely focused on trying to get those bookings in. I have just conducted, over the last few weeks ... because it is easy for a marketer to generate lots of inquiries, very easy, but it is very difficult to get sales. In a normal business I would be responsible for generating sales, so we conducted research to ensure that the inquiries that we are getting are representative and match exactly the people that are booking so I am not generating inquiries for people that cannot afford to come to Jersey or people perhaps the other end of the market that think Jersey is perhaps not for them. So we know that what we are doing is correct and I think that serious consideration that needs to be taken before we go into this either a P.P.P. or a board scenario. That is my bit.

**Deputy M.R. Higgins:**

Now can you just explain where we are up to date with the market? You have had all these inquiries and everything else, are they following it with bookings? Where do we stand? Are we on par with last year? Below? Ahead? What? What is your prediction for next year?

**Mr. D. de Carteret:**

Can I start that one off? I mean at the moment we are looking at ... our best estimate is that we will probably end up in terms of staying leisure visitors somewhere around 5-7 per cent drop this year. That is an honest estimate of the situation. That compares quite favourably with other places. It is hard to describe something like this as “favourable” because it is not favourable, it is very unfortunate, but we are beating the market. I mean the market trends at the moment are suggesting that X.U.K. (Experience United Kingdom) were looking at a drop of something like somewhere between 11 and 19 per cent depending on how you look at it and that has been pretty well mirrored across Europe. The success stories this year are the cheaper end of the market; camping, self-catering, that sort of thing. Stay at home products that people are buying whether they have got the money or whether they feel they have

not got the money, that is what they are doing. So there has been a massive demand for cheap end stuff, people staying at home. Jersey, in order to market, is an overseas destination, even though we might be domestic to the U.K. and very close to France, we still operate like and have to operate like an overseas holiday destination, so we have to compare ourselves with that. So I would say that at the moment we are struggling. It is very tactical, most success is being built on the back of discounts and that sort of thing which is the nature of the market when you are into these sort of situations. The crucial months are going to be September/October because I think we will be all right for July and August, I think we will come through with late bookings and so on. September/October are very crucial. Next year, a huge challenge. It is too early to say which way it is going to go, but I certainly support what Simon was saying in terms of getting the brand recognition up there to start with to give ourselves the best possible chance. But we are performing, if it is a relief we are performing ahead of many of our competitors at this moment in time.

**Deputy M.R. Higgins:**

In terms of market share, the U.K. is the biggest market for us, is that correct? What sort of percentage?

**Mr. D. de Carteret:**

Yes, 80 per cent.

**Deputy M.R. Higgins:**

Of course projections are 3 million unemployed because even though there is talk of coming out of recession probably at the end of 2009, early 2010, unemployment being a lagging indicator, we are already through 2 million forecasting 3.

**Mr. D. de Carteret:**

Could be.

**Deputy M.R. Higgins:**

What is the situation with the French market? What sort of percentage does the French market have?

**Mr. D. de Carteret:**

Well, the benefit in the French market of course is that that is Euro land which means that because the relationship with the Euro and the pound has been helpful. It is not the only thing and it is not enough on its own, but I think we are going to be slightly up in terms of French business this year. The difficulty with the French, our dear friends, there is they stay a very short space of time and typically one night. The majority do not even stay overnight, they stay for a day trip. So, I mean, that market is going to be quite strong, I think, this year but of course it is not enough, you know, a 10 per cent increase in the French market produces a 1 per cent overall. That is the problem, because it is such a small percentage of overall what we do. The same with the German market. But France and Germany have both got their problems. They both ... you know, there is recessionary problems going on in both those places and in France, in fact, the early impact of recession came in France before it did in the U.K. in terms of our business. It kicked in in September last year. They tend not to admit it. I think in Britain there is more of an open approach to problems, whereas in France, I think they tend to hide things more. But I think we are quite positive about all of that. If we can get out of this with 5-7 per cent drop this year and hopefully see some green shoots coming through next, well then that is us in the right direction. But we are exposed and one of the things I wanted to talk about later today at our other meeting is the fact that we are just not ... we have not got enough of the product the customer is looking for at the moment. Customers are looking for camping and self-catering and we are saying: "We have got a nice 4-star hotel for you." It does not matter how you wrap it up, you are not going to be successful. We are very weak in that area, we have always been weak. Not because the industry have failed in any way or shape, it is just that in Jersey we have got our own circumstances with housing and the cost of it and the shortage of it, it has been impossible to build the levels of self-catering that we really should have had and you can understand that. Much of self-catering has been built in the past and then converted over to private dwellings because that is where the money is, so ...

**Mr. S. Le Huray:**

There lies an interesting problem on decision making on where we spend the money in terms of marketing, because the self-catering - we have got some fantastic self-catering product - is all full, completely full and has been for months, right through the season. Camp sites are doing extremely well this year as well. But if you are, as David said ... so they are saying: "Do not do anything else, just stop, just stop, save your money because we are in good shape." But there lots of other sectors in the industry that are not in such good shape which we need to help. So we try to adjust marketing. Currently, last weekend and the next few weekends, advertising will be purely focusing on the family market for July and August to try and help those family hotels fill their beds. We have taken that impartially. If the board was slightly biased in any way, would that happen?

**The Deputy of Grouville:**

So going back to P.P.P. model, the idea is to move all the staff from Tourism over and it is something, I think, that is needed. If a strategic plan for Tourism had to be developed, would the P.P.P. model do it or ...

**Mr. D. de Carteret:**

The P.P.P. would do it. The people there who would then have to draw up this plan, probably taking on board some external help, they would draw it up as a new plan for the way forward. There would be nobody left in Economic Development to do it.

**The Deputy of Grouville:**

Yes, exactly. So P.P.P. model would be drawing up strategic plan for the government?

**Mr. D. de Carteret:**

Yes.

**Deputy M.R. Higgins:**

In fact, expanding on that because if we look at other aspects of what E.D.D. does such as



redevelopment, in conjunction with the airport and funding subsidies for different things, how does it work at the moment in relation to what you are doing in Tourism? Do you have a say in it? Do you have a ...

**Mr. D. de Carteret:**

Yes, to some extent and that is crucially important. But there is not a lot of it going on right now. I mean, unfortunately we had ... the route development a year ago was quite significant, you know, there was £1 million, I think, going into that area whereas now it is probably only 20 per cent of that figure because some of the routes being supported are no longer there, like Heathrow, for example and ...

**Deputy M.R. Higgins:**

But Heathrow was taking the largest proportion of that at the time?

**Mr. D. de Carteret:**

Yes, and Luton was another big one and that has gone as well. So the policy is still there but there are no takers and that is absolutely crucial. If you look at the stats over, say, the last couple of years, if you look at the sort of winners and losers and how it has all been working you will see that the difference has largely got to do with volume routes that have come and gone and the performance of carriers on those routes. So when we had easyJet doing Liverpool and Luton, we had Thompsonfly on Doncaster and Coventry and Cardiff to some extent, B.M.I. (British Midland) doing a bit more. When those things have stopped on a big route ... I mean we will lose 20,000 people a year on a decent route. That comes out of the market, they do not get replaced. Those people do not drive 30 miles down the road to the nearest airport, they just do not come. So it is an important policy ...

**Mr. S. Le Huray:**

It is worthwhile saying though that we have a comprehensive joint marketing planning with the airlines where I work with nearly all the airlines that come to Jersey and we do joint marketing together, so we match it pound for pound. So, for example, let us say Jersey Tourism were to spend £10,000 on a

particular airline, they would also spend £10,000 and we would do a joint campaign in that particular area to develop that.

**Mr. D. de Carteret:**

This is outside of the route development funding.

**Deputy M.R. Higgins:**

Right and what will happen to that side of it, will that go to P.P.P. or not?

**Mr. D. de Carteret:**

That would still ... I mean at the moment the funded particular project that Simon is talking about is funded from ... we manage it, but it is funded from T.D.F. (Tourism Development Fund). So we would have to negotiate.

**Deputy M.R. Higgins:**

In fact, just going back to the route development, I am interested in this anyway because if we look at it as a whole, we look at the routes that are being supported and so on, how many of the routes are for encouraging tourism or for the business community? So, for example, if you have a route to Zurich that is being funded, or Berlin, are they for business travel in the main? Because if you look at some of the prices of flights to and from those destinations, it does not strike me that it is appealing to the ordinary sort of tourism visitor coming over here for a few days.

**Mr. D. de Carteret:**

All right. Zurich and Geneva are primarily business routes although the tour operators do have some special deals with Blue Islands on those routes, Air Berlin is mostly a leisure route. In the U.K. what used to be called the lifeline routes are still having a very high proportion of business and local traffic, and that is Gatwick, Southampton, Manchester to some extent. But outside of those most of the other routes are leisure and of course many of them only operate in the summer. So, I mean, we could give

you a breakdown, we have got those figures, I mean, we know exactly sort of who is doing what. But essentially it is Gatwick which has a very high proportion of business travellers and local people travelling on it, Southampton, to some extent. But outside of that I would say a lot of it is leisure.

**Mr. S. Le Huray:**

The importance of air routes is best demonstrated by our German market which in 2007 was worth £5 million when 10,000 customers visited the Island, compared to the French market where 30,000 visitors stayed more than one night, on average 2 and a half nights they stayed. The market was valued exactly the same. The difference is that Germans stayed for 6 nights and all on aircraft, all on direct charters from Germany. So if Jersey was to lose those charters we would lose £5 million out of our economy in the blink of an eye.

**Deputy M.R. Higgins:**

I see. I would like to see those figures. Whether they be for this exercise or we may be doing another exercise later on.

**Mr. D. de Carteret:**

You mean the breakdown by routes?

**Deputy M.R. Higgins:**

Yes, definitely.

**Mr. D. de Carteret:**

It is part of our research information. We are very strong on research, we spend a lot of money on it and we know a lot about our customers which is important, so we can break most things down.

**Ms. D. Le Marrec:**

Depending on what they do, how much they spend, where they come from, how old they are.

**Mr. D. De Carteret:**

Where they are going, what newspapers they read, who their friends are.

**Deputy M.R. Higgins:**

If you would be prepared to show us the knowledge of what you have got and what you have not, would be most useful.

**Deputy J.M. Maçon of St. Saviour:**

On that point about research and everything, again it kind of goes back to what the Chairman was saying about this P.P.P being proposed very much towards the whole marketing aspect, but obviously the research part is very important, so is that something separate that would be lost or does it entice capital?

**Mr. D. de Carteret:**

It is in the budget, it is part of the budget that would be handed across. At the moment it is about £130,000 a year although it is not the same every year because we do different projects each year, but next year it is £130,000 and that is part of the core budget so it would be reasonable to assume that programme could continue.

**The Deputy of Grouville:**

I am still a bit worried about the board and the representation and if it is truly representative. What is to stop the board, once formed, sort of streamlining P.P.P., you know, the organisation?

**Mr. D. de Carteret:**

Nothing.

**Ms. D. Le Marrec:**

We keep getting told we are going to lose our jobs, do we not, from members of the industry?

**Mr. D. de Carteret:**

If it takes the form that is described then it becomes a private organisation funded by the States, so the States could, I suppose, always turn round and say: “We do not like what you are doing, we want to stop you doing that, I am going to take your budget away.” You know, because there is always that funder of any entity has always got that right, have they not, to manage what they ...

**The Deputy of Grouville:**

Well, yes. You know, with Heritage Trust, the Arts Trust ... the Arts Trust could be quite a good example, they have to fulfil certain obligations in a service level agreement, one of which we used to sort of say that they had fund the I Stedford(?) service. That is going back to the point that you were making before ...

**Mr. D. de Carteret:**

That is our Battle of Flowers.

**The Deputy of Grouville:**

The Battle of Flowers, yes, exactly. But if they wanted to sort of streamline the organisation so there would be more monies available for their own businesses, what would there be to stop them doing that?

**Mr. D. de Carteret:**

I think that is a key point, but I think you can almost turn that point around the other way and say the whole basis of this funding is that we would need, they would need, it would need, money coming in from the industry in order to move forward. Now, when money comes in from the industry, it has usually got some attachments to it because people want something in return for their money, so that, I think, is where the crux of this lies is to what extent is money going to flow in from the industry without it being linked to some specific marketing activity? You are talking later on this morning, I think, to the Conference Bureau people where you have got a very good example of that, where they generate about

£100,000 a year in from the industry, but all of it virtually is linked to marketing activity. So the biggest contributor is one of the hotels, The Hotel de France, which is the biggest conference hotel, they are paying about £20,000, but in return they get all sorts of specific marketing benefits for them, you know, so they are buying a marketing package. That is much more difficult to do when you are doing leisure tourism, when you are working across a whole range because, you know, if you are talking about a small hotel at the back of St. Aubin or something like that, perhaps with 20, 30 rooms, you know, it is difficult to understand exactly what marketing benefit we are going to give them. We can give them a generic benefit, but we need specific money from them, we need to be saying to them: “We need you to pay us £500 a year or £1,000 a year” or whatever it might be and that is, I think, where the crunch really comes.

**Ms. D. Le Marrec:**

I do not know if this is valid, but it is perhaps important to say. I do not think, as a States department ... I think we are really streamlined, I think we are quite a commercial entity anyway. When I first joined the department in 1995, and Hilary joined the same year as I, we had a staff of 41.25 full time equivalents and a budget there of about, I think it was, £8 million. Now our full time equivalents are probably about 20, I think about 17 staff at the moment and our budget is obviously a lot less than it was, you know, at that time. Our ethos has always been that, you know, we work very hard. My team work a lot of weekends, they are not paid to work weekends, it is just the ethos. You know, the ethos of the department is: “We have to host, we have to work weekends, we have to work evenings” and we do. So I am almost wanting to sort of put out there that we are not the sort of typical, you know, unchanging, retrogressive beast; we are very much ...

**Deputy M.R. Higgins:**

I thought you were going to say civil service bureaucracy. [Laughter]

**Mr. D. de Carteret:**

We want to try and avoid that.

**Ms. D. Le Marrec:**

No, but I want to make that point, you know, that as a team already we do work extremely long hours, we work very hard, we are very passionate about what we do and, you know, I just really wanted to make that point.

**Mr. D. de Carteret:**

I think you are on an interesting point there in a way, because the crux of this is we need ... for this to work we need to get money in, no question about that. States money coming in one direction, that is fine and the States can decide to do whatever it does and hopefully it will continue, but how do you get that industry money in and what do you have to give in return? In fairness, I think that is the weak part of what we have done so far. I just do not think that what we have got there is robust enough and I do not think there is any guarantees that any money is going to come in at all and ...

**The Deputy of Grouville:**

Also, you know, the little guest house in the back of St. Aubin, what are they going to get out of it? If they are not being represented on the board, or, you know, what exactly do they get out of it? So, is it just an organisation for these however many 4- or 5-star hotels?

**Mr. D. de Carteret:**

I think there is an issue there for the place at the back of St. Aubin because the problem there is that in fact for a small entity like that they probably would feel more comfortable with government looking after them rather than a private entity looking after them because governments tend to be more trustworthy, do they not?

**Deputy M.R. Higgins:**

Looking after their wider interests perhaps?

**Mr. D. de Carteret:**

Well, that is trust.

**The Deputy of Grouville:**

If the money is coming in, or coming from ... you know, the bigger the organisation the more money they are paying, I assume. I mean, there is not going to be the same demand from a guest house in St. Aubin as there is at the Royal Yacht, for example, surely the more money that is being put in by these organisations, they are going to get a bigger say. That is how things work.

**Mr. D. de Carteret:**

Yes, well you would expect that.

**Ms. D. Le Marrec:**

That is how the Conference Bureau works.

**Mr. D. de Carteret:**

That is right, that is how we are going to sell it. As Donna has just said, that is how the Conference Bureau works.

**Mr. S. Le Huray:**

The difficulty where we seem to have got to now, the original ... when I was first interviewed by Locum about P.P.P., I was 100 per cent behind it. I was, you know: "Cannot wait" and it was absolutely the right thing to do provided we jump the fence and we are full proper organised P.P.P. and that both organisations, Jersey Hospitality Association and Jersey Tourism both completely dissolve and disappear and a new organisation is formed. On the face of it, Locum came up with this scheme which looked a complete nightmare in terms of having cascading committees. So on the committee, if I remember rightly, there was somebody representing conference, somebody representing big hotels, somebody representing guest houses, somebody representing tour operators and so they were all ... and then under that ... each one of those was effectively a chairman and each person under those then had



their own committee, so the Guest House Association or the Guest House Committee would have a group of another 8 that he would meet with and discuss and bring those points forward. Although that sounds like a complete nightmare in terms of managing and bureaucracy, having had nearly 4 years to reflect on it, I have not seen anything that has come forward which would cover all those options and opinions and give fair representation to everybody. It is a bit disappointing that this has come from, I think David said, the J.H.A. (Jersey Hospitality Association) and then they decide not to be part of it when a key thing for us - that Donna and I often talk about - is the way that we provide service, so the way that we provide customer service. For example, the Jersey Heritage Trust is key for us; it features in all our advertising, it comes up in ... because they are iconic buildings, Gorey Castle. It is also really important from the point of view of when we do customer surveys, heritage always comes up very highly in surveys; reasons to visit and reasons to come to Jersey. But they are the only attractions that have gone through grading process to say that they are a quality attraction. Not that the others are not and I am sure that some of the leaders like Durrell and Autumnals(?) would also pass that, but they have not done that but the J.H.T. (Jersey Heritage Trust) have. We would like to be able to push that scheme so that we can introduce that quality in that sector of the marketplace.

**Deputy M.R. Higgins:**

What co-ordination is there? For example, Jersey Heritage we see constantly in the paper as being underfunded and they are obviously saying they may have to cut down on staff and they may have to close various sites. What view do you have on that or what concerns do you have?

**Mr. S. Le Huray:**

At my level, I mean, that would be disastrous, in my opinion. We have set up a marketing scheme called Jersey Pass where we actively market their product on the Island because, as I was saying before, they are not interested in people until they have arrived on the Island. As soon as they set foot on the Island and arrive at Jersey Airport or Jersey Harbours, that is when we are interested in marketing to them to go and visit. So we have got Jersey Pass, we have also got specific publications which they take part in. We also try to work as closely as we can to try and support them. In terms of the bigger

financial issues, you know, it is not something which I am really a party to, I am not sure if Donna or David might be.

**Ms. D. Le Marrec:**

I work, you know, quite closely with Jersey Heritage and we do fund some of their activities. I mean, less than we used to. We fund the Fête du Siege, for example, just one event but, I mean, we deliver the annual guided walking programme, for example, and we try to link up with the National Trust for Jersey, the Jersey Heritage Trust. I mean, I particularly work closely with the National Trust and Jersey Heritage. I think what sort of slightly concerns me is there is sometimes a disconnect between what the industry want and what we physically deliver and an example of this, I think, is walking; quite a niche activity, we thought it was an objective thing, we spent quite a long time developing with things like walking guides and the whole Blue Badge scheme that we developed. We deliver the annual walking programme, we do 2 walking festivals and interestingly enough in the 2008 Visitor Survey, the top activity that was undertaken by all our visitors, it was 33.38 per cent, I think, was walking and compare that to 2 per cent to play golf, you know, those sorts of things. A lot of what we have been doing is quite strategic and takes a long time but, I think, if you sort of talk to the industry about that they probably would not value that at all, they probably would not think that was remotely interesting and yet it is ... I think this is the difference, you know. I sit on Genuine Jersey, for example, and that is all about trying to develop local businesses, trying to develop local souvenirs, trying to promote the whole issues of provenance of local food and, you know, my concern is that that might not be seen by a tourism board as being particularly important.

**The Deputy of Grouville:**

No, I was going to ask about Genuine Jersey, whether these peripheral organisations put into it or ...

**Mr. S. Le Huray:**

Which is what I was trying to explain before, it is like a spider's web, if you touch one bit ... because everything that Donna talks about translates directly into the way that I ... you know, the tone of voice

and the way that I communicate with consumers. In the U.K. walking is probably a real opportunity for us to deliver volume, whereas perhaps, you know, surfing or, you know, these other things they are niche and they can deliver numbers but just not in a big enough volume.

**Ms. D. Le Marrec:**

Tiny, 0 point something numbers.

**Deputy M.R. Higgins:**

Do you have figures also showing spend with different groups, so does one spend ...

**Mr. S. Le Huray:**

I can break it down. We do social demographic profiling of consumers that come so I can do it by that, but we do not know exactly ... because when they come, you know, walkers, there is a whole range of walkers that we cater for. Excuse me if you know all this, but Donna puts on 2 walking weeks in the spring and the autumn which, by themselves ... I mean our autumn walking week was virtually booked up in February. So we know that will generate over 1,000 visitors to the Island during those weeks additional. But generally those are fairly keen walkers, people that are sort of in walking boots and hiking sticks and are generally keen and they will go in groups and they will organise it. Whereas, on the other end of that scale, we also have people that like to have a walk through town or go with one of our guides through town before dinner. So they are completely different. So we do it on profiling which gives us a better picture of the types of people that come, 17 per cent of the people that visit Jersey are from the very top echelons of the U.K. society, very wealthy, 55 plus, usually semi-retired or working on executive, non-executive directorships which means that during the economy, although they will be affected, they are probably less likely to be made unemployed. So although unemployment is the key issue for us, there is still opportunity because there is also that sector of the market which is slightly protected, although their value, their wealth is less. But also there is also a large number of people in the U.K. who have never paid less for their mortgages, they have got hundreds of pounds extra a month because their mortgages have gone down.

**Deputy M.R. Higgins:**

Right, let us go back to the heritage for a moment. I know it is a political issue but heritage, will it sit better under Tourism than it does under the ...

**Mr. D. de Carteret:**

We had this debate about 4 years ago, if I remember rightly. I mean, we concluded that time, quite unequivocally that it did not matter as long as somebody has got some money. If Economic Development Tourism has got the money then that is fine. What we do not have is spare funds that we could put into heritage. That is the problem. I mean they have not got ... they are underfunded, I think and we are underfunded and that is the reality of it. I mean, picking up on what Simon said a moment ago, I mean, I do not know that we necessarily need every single site in order to maintain the ... you know, I was looking last week at ... because this thing was coming up about the possible closure of one or 2 of those sites and I looked at the attendance figures and I do not think that, you know, Hougue Bie would make a vast difference. You know, I mean, all these things add value and they add something to it, but if Hougue Bie suddenly disappeared off the visitor map, I do not think that would be catastrophic. I think the Maritime Museum, I think, would be fairly catastrophic. The Museum would be catastrophic. The castles would be catastrophic, but, you know, there are different ways and you can have a different attitude towards them. I mean, Hamptonne I think there is anyway a possibility ... Donna told me it is owned by the National Trust anyway, I think, for Jersey.

**Ms. D. Le Marrec:**

Complicated ownership.

**Mr. D. de Carteret:**

Yes, but it may reinvent itself in some way, shape or form. But overall and we have said this all along, I mean, one of the things that we have consistently said about our funding, Tourism funding, is that it is the hidden advantage that visitor spend has on other things that is never recognised. I mean, we count

the amount of pounds that get spent on tourism on the Island and at the moment it is about £240 million a year. What we are not doing is saying: “Particularly what would the States have to spend if tourism value was not coming in? What would the bus service look like?” You know, at the moment there is a certain amount of money going into the bus service, if visitors were not going on there in large numbers in the summer, that figure would almost certainly increase, I do not know to what extent, the revenue to the airport, the harbour, the revenue to the heritage sites, it goes on and on and on.

**Mr. S. Le Huray:**

But the £240 million that is brought into the Island by visitors, that David mentioned, excludes all travel, so it is just what they spend in the Island.

**Deputy M.R. Higgins:**

Again this is the political question, and caution in terms of the answer, we have been told, for example, that the Island wants to focus on high value, low sort of impact type business in terms of where the economy ... we have been having a debate about diversification and I get the impression that tourism does not come very high up in thinking that. But, again, you are saying there is £240 million existing. Is it possible, do you think, to grow the tourism industry to take a bigger percentage of G.V.A. (Gross Value Added) than it does at the present time?

**Mr. D. de Carteret:**

I think we can grow the value of it, I do not think it will grow in numerical terms, but, I mean, we could fill up more hotels all round the year, but I think we can grow the value of it and I think to some extent that has happened. If you look at the 4-star market which is where there is greater value, if you look at our capacity now compared to our capacity 5 years ago, it is significantly higher because now 25 per cent of our beds are in 4-star plus, whereas, I guess, that would have been 15 per cent 5 years ago, you know, with the addition of the Royal Yacht and the Radisson and all these places. That is value, that is where value is coming in.

**Deputy D.J.A. Wimberley of St. Mary:**

A couple of questions. I know I arrived rather late, sorry. The first one, and you may have covered it already, is the spend in Jersey on things like marketing and attractions, heritage, particularly heritage, even down to beach cleaning, compared with other destinations. You know, do you have ... must have some kind of benchmarking to say: "We are getting half of what they spend in Madeira or double" I do not know. But that would be a useful tool for you, would it not? So, you know, I just wonder whether you have got those sorts of figures?

**Ms. D. Le Marrec:**

Well, last year I went to a Visit Britain Heritage Seminar and what was very interesting was obviously, you know, most of the heritage in the U.K. is free. You know, you do not pay to go to museums. I think we fall between 2 stalls really because we do not get any, obviously, E.U. (European Union) funding but we do not have any national lottery funding, so it is very, very difficult for what we call our product to be ... you know, we cannot really compete, I do not think, with places like Madeira. You know, the amount of funding they have had from the E.U. and the huge sort of change that has happened in that particular ...

**The Deputy of St. Mary:**

Because they are on the edge?

**Ms. D. Le Marrec:**

Well, I think they just qualify for funding that we just do not qualify for as an Island, you know, as a ...

**Mr. D. de Carteret:**

A lot of it is done on wealth and Madeira is a very poor place compared to Jersey ...

**Ms. D. Le Marrec:**

Ireland was the same many years ago.

**Mr. D. de Carteret:**

We are not considered to be a poverty stricken Island, are we, at the moment?

**The Deputy of St. Mary:**

So to follow up from that then, you know, heritage does demand investment. You know, if you have a grotty castle that is falling down, the signs are all peeling and bleached by the sun, it is no good. Not for what you are talking about. So, you know, where ... how can we square that?

**Ms. D. Le Marrec:**

Well, the frustration on Island is that ... you know, this morning I walked from the harbour to our new building and you are just passing a load of rubbish, you know outside the Esplanade car park there is bottles, there is ... you know and I mean obviously one of the things that Hilary and I do is we liaise with our colleagues in Transport and Technical Services and parish, et cetera, and we chip ... you know, we always on the phone saying, you know ... and the Harbour office, you know, they get sick of us sort of emailing because we are saying: "This is the first thing that greets our visitors, particularly from the harbour." You know, this year they are walking through an awful lot of mess and that is the frustration that we cannot compete, you know, necessarily with other ... not the U.K. but other European destinations. You go to Brittany, it is absolutely spotless, you do not ... they still invest in their parks and gardens, they still invest in their cleaning and that is something we have had very little influence over. I think less influence since we have been parked back in Economic Development than we were before ministerial government when we had our Tourism Committee and we had, you know, 7 States Members on our Tourism Committee, you know, we could lobby, we could shout, we could ... we perhaps had a greater presence than we do now.

**Deputy M.R. Higgins:**

I was going to make a comment about there is one place in France which I will never visit again because it had a dog ... **[Laughter]**

**Mr. D. de Carteret:**

Bring you down a bit?

**Ms. D. Le Marrec:**

We do not allow dogs anywhere so that is probably why we do not see it so much.

**The Deputy of Grouville:**

You mentioned the lottery, that is an interesting thing because if we were to have the national lottery over here, it would be something presumably E.D. (Economic Development) would be running, now would P.P.P. then assume that they were going to get funding?

**Mr. D. de Carteret:**

I think there would be an orderly queue for people wanting to be funded by the Jersey part of the national lottery. I mean, already we have seen examples of people who think that they deserve to be in receipt of that funding. No, I do not think that we would expect to see any of it coming our way.

**The Deputy of Grouville:**

Oh, really?

**Deputy M.R. Higgins:**

The time is moving on, we want to get on to staff matters in a moment, but I would like to ask some final general questions, then ask the rest of the panel if they have got any questions in this way as well. We have been told, for example, that no one has spoken out against P.P.P. This has been said to us. Are you aware of people who are not in favour of P.P.P? Have you had any prior discussions with people?

**Mr. D. de Carteret:**

There are some, yes.



**Deputy M.R. Higgins:**

If you do not want to say publicly, you can tell us privately.

**Mr. D. de Carteret:**

There are some because they feel that they do not like the idea of having to contribute, essentially. The concept is not a problem, but as I said earlier, it is that the devil is in the detail and I think people have worked out this is going to cost them - I think it is fair to say that, is it not - and do not see the benefit of it really. I mean, there are some and they have been persuaded, I think, to moderate their statements on that sort of thing.

**Deputy M.R. Higgins:**

I might add we have had some letters in, by the way.

**Mr. S. Le Huray:**

There are a lot of P.P.P.s in the U.K. ... because ultimately it is what is the benefit for the Jersey taxpayer and the Island. The benefit, as I understand it, is obviously to reduce the burden and the cost on the taxpayer. So, of course, it says in the report that if form follows function, that would mean that government would naturally reduce its input into financial support of P.P.P. to save its costs so it could do things like perhaps heritage support and expect the industry to top it up. But there is no evidence to show that the industry has the ability to be able to prop it up sufficiently, so we have been very fortunate this year where we had additional funding for E.D.D. into tourism which has made a huge difference to us and that is the level that the funding should be going forwards. The paper also does not talk about any increases in government support so is there some kind of indexed link or is it going to be performance? How does the P.P.P. acquire more money when ... because you asked the question, high value, low impact, Donna has done a fantastic scheme on green awards for hotels to make sure that they are following best practice and are ethical. Jersey, in my opinion, has a world of opportunity to grow its tourism product. The product is fantastic. Who would not want to visit Jersey, our natural environment

is just outstanding. Those are the types of people that like coming to visit Jersey. The way that we treat everything, whether it is from waste to sewage, I mean is also sensible and ethical and I think that the public recognise that. We do not pour stuff generally into the sea that we do not want and as a sector we are responsible ... and through Donna's work and as the tourism industry, would a P.P.P. have the mettle to be able to go and do a green globe award for its hotels? I ask the question, whereas in the independent government body we have been able to do that and be able to demonstrate to our consumers that the hotels that they stay in are following best practice to save the environment.

**Ms. D. Le Marrec:**

I think the point you made about, you know, opinion, because there has not been any public consultation it would be interesting to see what the public reaction will be, but anecdotally ... you know, when we had to leave our old building to move into the new one, there was outcry. It is the same issue with things like Battle of Flowers, you know, and other events. Tourism is very much a part of the local psyche, it is who we are and it is who we have been for an awful long time and I would not underestimate people's reaction to things. You know, the industry are commercial bunch of people, they make it very clear that they think the Battle of Flowers is probably a waste of time and if it was down to them they probably would not fund it. But it is part of who we are, it is part of cultural identity and I think we lose sight of the fact sometimes that we have local consumers. I mean all the events that we organise, they are very well attended by local people. You know, it enhances local life and this is something that you cannot necessarily put a value on, but it is something we consistently talk about. You know, if the locals like it then visitors will like it as well and the wonderful thing about coming to Jersey is that, you know, you can meet those local people and you feel part of local life because it is such a small community. I think that what I am trying to say is that I think there would be a public kick back if a lot of what we do now does not happen. We already get lots and lots of comments about why are we not doing this, why are we not doing that? You know, we used to fund up to sort of 40 other bodies, now we do not and there has been quite a lot of negative feedback about that and I think that would carry on. I do not think we should underestimate how people view our industry.

**Deputy M.R. Higgins:**

My final point on that is your budget has been cut over the last few years, what is the reasoning behind it and where has the money gone? Where has it been diverted to?

**Mr. D. de Carteret:**

Well, it happened even before ... we were getting cuts even before we went into Economic Development, but probably the bigger cuts have happened since then and there has been other high level responsibilities, you know, for Economic Development. More money has gone into finance, Enterprise and Business Development did not exist when the thing started, so there has been new initiatives and very important initiatives, but the budget has not really gone up to reflect those things, so ...

**Deputy M.R. Higgins:**

There has been more reallocation within rather than ...

**Mr. D. de Carteret:**

Well, I think the bigger cuts have probably been against the agriculture and so, in fairness, if we compare ourselves with them, I think probably we have done quite well. But those are the areas where cuts have been made; tourism and agriculture largely and the beneficiaries have been Jersey Finance and Business and Enterprise.

**Deputy M.R. Higgins:**

Okay. In that case I am going to ask other members of the Panel now, because we want to come on to this staff thing and we will go private on that to give you the opportunity to speak. If you still want to do it privately, it is up to you?

**Ms. D. Le Marrec:**

Yes.

**Deputy M.R. Higgins:**

That is good. Okay, so, Shona, have you got any questions?

**Deputy S. Pitman of St. Helier:**

On the staff?

**Deputy M.R. Higgins:**

On anything, no, generally.

**Deputy S. Pitman:**

Oh, just on the staff.

**Deputy M.R. Higgins:**

You have got yours on staff? Okay. Daniel, have you got any general ones?

**The Deputy of St. Mary:**

Yes, I have got a couple, because we are talking about P.P.P., are we not? I know the value of tourism and all the things you say about the local psyche of consumers and the fact you used to fund 40 local bodies and now you do not. Right, so that is one little thing. Remember that. The other is you talked earlier about small markets, very niche, like you called the surfers was niche, anglers. I do not know how niche is niche, you know. Archaeological, there is a market there, just have to go and get it. Now, my question is, if you take those 2 things, those examples, why would this be done better under a P.P.P?

**Ms. D. Le Marrec:**

I do not think they would be done better. I mean, I think my concern is that at the moment we do fund things like the green tourism scheme, you know, we sit on things like Genuine Jersey, other bodies which may not necessarily be important to, you know, an owner of a large hotel. That is the point Simon has been making about, you know, this kind of subject ... this kind of objectivity that we can

have much more of an objective view because we sort of oversee the whole landscape. So, to my mind, you know, we get as many people going on a guided walk, for example, as we do play golf here, or coming over in to birdwatch as play golf, we do not put any, you know, huge amounts of funding into birdwatching or botany or these others things. But I mean our resources are going to be ... I mean I cannot see our resources growing, they are certainly not going to get any more ... I cannot see we are getting any more funding. You know, the bottom line is last year we got less year on year on year. You do try and make these things happen, you have to be much more creative in how you deliver, but they are viewed as niche. I mean, I had a conversation on Friday with a leading person in our industry who wanted to sort of bemoan the fact that we were not concentrating on 18, 19 and 20 year-olds. Now, while I value 18, 19, and 20 year-olds, the fact is he was saying: "Well, we should be more like Cornwall, we should be having beach parties, we should be creating this kind of atmosphere." But, you know, the bottom line is that 18, 19 and 20 year-olds probably will not be able to afford to come to Jersey. They can get on a train, they can jump on a bus, they can go within the U.K., they can enjoy that, it is all part of the ... but I mean that is not what Jersey is. The very fact that he did not understand that was really quite worrying.

**The Deputy of St. Mary:**

It seems the government has a different view and the very worrying thing that you reckon that the industry did not really understand about walking and the growth of it, and I know from personal experience that some of them do not really understand about cycling, and that is kind of ... so you are holding the ring as government in a different way from what the P.P.P. would do?

**Ms. D. Le Marrec:**

Well, I think we do not know the answer, but in my experience the things that make us different, the things that make us unique, are those things. So, for example, if we have a Black Butter Festival, to me it is really, really important. It costs £2,000 to £3,000 to stage that event, but this year we are having *Country Living* magazine coming over, the sub-editor, photographer and a journalist, and the advertising equivalent of that is huge. But if you said to a local hotelier: "What do you think of Black Butter?" they

would laugh; they just do not think it would be feasible.

**Mr. D. de Carteret:**

Even if they knew it was happening.

**Deputy M.R. Higgins:**

Carolyn?

**The Deputy of Grouville:**

No. I think my questions have been answered.

**Deputy M.R. Higgins:**

Can I just ask a very quick one at the end? I tried to get it a little earlier. How many beds do we have within the Island now? You said a decline in the numbers.

**Mr. D. de Carteret:**

Just under 12,000.

**Deputy M.R. Higgins:**

Right; and what do you consider to be a critical sort of mass? Because Guernsey, I think, has got much less.

**Mr. D. de Carteret:**

I do think that when we had 25,000, which we had in the 1980s, it was far too many. I do not think that would be sustainable in today's environment because I think the quality of experience would not be there if we tried to have 25,000 people at any one moment of time. But I think the infrastructure of the Island now is fine, and I think we can support that number quite well. I do not think we would like to see it go down any lower than that, because then you start to lose things. Then you start to have

problems with Heritage and all that sort of thing going on. But I do think that we had too many before. I was around in the 1980s and I just felt that, particularly in the high season, it was impacting too much on people's quality of life. So, I think there is a balance to be struck. I mean, some things easily can come and go: airlines, sea transport, they just vary in size according to the market demand. Hotels take longer, and there are more hotels to go. But having said that, the hotels that are due to go are probably no longer viable in the sense that you cannot generate sufficient revenue from them.

**Deputy J.M. Maçon:**

What are you, Jersey Tourism, not doing that P.P.P. would do better? I am just trying to get the whole need of why you are doing this.

**Mr. D. de Carteret:**

I think the main answer to that would be 2-fold, really. One would be to give the industry a greater say in the strategic direction; and the other thing that would be perceived as being the other objective would be to get more money in from the industry, in other words, get them to financially support the marketing initiatives more strongly.

**Ms. D. Le Marrec:**

Although, having said that, our last major tourism strategy was an industry initiative. We worked collaboratively on that.

**The Deputy of St. Mary:**

What was the date of that? Which one are we talking about?

**Ms. D. Le Marrec:**

That is the *Making a Difference*, which was the last time we had a really detailed strategy. Certainly I am still working to that.

**The Deputy of St. Mary:**

Okay. The date for that is ...?

**Ms. D. Le Marrec:**

It would be 2001.

**Mr. D. de Carteret:**

If you give me a day, I could go and find it.

**Ms. D. Le Marrec:**

It is quite a chunky piece of work. But we worked collaboratively with that in the industry. In fact, at that time we had the Industry Board.

**Deputy J.M. Maçon:**

Can you supply a copy of that to us?

**Ms. D. Le Marrec:**

Yes.

**Mr. D. de Carteret:**

We can. It was a wonderful document, because it had everything except the funding.

**The Deputy of St. Mary:**

Well, that is quite common.

**Mr. D. de Carteret:**

It was like a wish list, of all the things we will have, but unfortunately there was no resource work done.



**Mr. S. Le Huray:**

Then there was the destination work completed by Locum in 2006, 2005?

**Mr. D. de Carteret:**

They have seen that. We have that.

**Ms. D. Le Marrec:**

That was a collaborative work.

**Deputy M.R. Higgins:**

If there is any other background information which you think would be useful, please supply it.

**Mr. D. de Carteret:**

We can let you have that.

**Deputy M.R. Higgins:**

Right. Before we go to the next session, there is one last thing, and that is to give you the opportunity, any of you, to say if there is something that you have not said already that you think we should know about, or a view you would like to express, please use the time now. Then we will go to the private personal ...

**Ms. H. Grimes:**

Most of our concerns are staff issues; but being on the front line, as it were, of visitor services I would certainly support everything that is coming across this morning about the various products that are out there. It is totally reflected in the people who are coming through the front doors. Out of 50 people who walk in the front door currently, 35 are asking for walking. The French that are coming over, one thing I would say - which I do not know is a good thing or a bad thing - is that a lot of them are staying in higher grade hotels than they used to. We used to know where they were staying on a one-night basis,

and there are obviously some very good deals available at the moment, and there have been some good deals brokered by our partners on transport as well. So, they are staying, and they are spending ... the French day trippers certainly do appear to be spending a lot more, and the one to 2-nighters. Our job downstairs is obviously to support every campaign that is put out by the whole department. I concur entirely with the camping situation. I think it is the first time ever that I have been in tourism where we have featured camping without any further cost being put on the campsite establishment. There has been a really good deal that has been going through from Jersey.com into the national papers, and we are taking the response calls on that and certainly it is the first time we have had so much response generated for self-catering and camping. It is the first time I have seen that.

**The Deputy of Grouville:**

Would camping be represented on P.P.P.?

**Ms. H. Grimes:**

Would it be represented? Yes, certainly.

**Mr. D. de Carteret:**

Well, indirectly.

**Ms. H. Grimes:**

Indirectly. I mean, it would be ...

**Mr. D. de Carteret:**

It would not be a camping member of the board.

**Ms. H. Grimes:**

Oh, sorry. Not on the board.

**Mr. S. Le Huray:**

Notwithstanding your comment about he who pays most.

**Deputy M.R. Higgins:**

Any other comments?

**The Deputy of St. Mary:**

I want to throw in one, following from what somebody said was really important. When you talk about our structure, that big plan, roughly 2001, because I am sure I remember it, I am not sure it had in it, but somebody ought to do a cost-benefit analysis of the whole industry. We are talking about £240 million. That is a lot of money. It is far bigger than all this business development put together. So, you have got an egg already in your basket, and it seems odd. So, what has happened in terms of your spend, in terms of your support? I am just looking through the contents and it is not in here, but has anyone done a fairly rigorous exercise cost-benefit to the Island as a whole?

**Ms. D. Marrec:**

Who was the ad site consultancy who came in some years ago? I cannot remember what they are called.

**Mr. D. de Carteret:**

One of the problems with that, Deputy, is that the industry does not record as an entity in its own right. So, if you broke down all the statistics for Jersey, you will see a spend for hotels, restaurants and bars; you will see a spend for retail; you will see all sorts of things broken down into the different categories. But there is no tourism category because there is no tourism industry. Tourism is a collection of other things altogether, and the £240 million comes from the research that we do which multiplies up spend on the basis of what we ask people. The question is what they have spent, et cetera, et cetera, and we work the figures out that way. So, it does not impact. So, if you go to the Treasury Department and say: "What do people spend on tourism?" they do not know. They will come up with hotels, restaurants and bars, and they will give you a figure of 6 per cent, something like that. It is an imperfect science in a

way, because nobody can tell you in retail how much of that retail expenditure is tourism related and how much of it is local. We just do not know.

**Female Speaker:**

How much is spent on buses and taxies?

**Ms. D. Marrec:**

We know about 65 per cent of all bus users are visitors.

**Mr. D. de Carteret:**

That is the problem. There are no real statistics on that other than what we do.

**Mr. S. Le Huray:**

Something we have found is the fishtail swims on.

**Deputy M.R. Higgins:**

Right. In that case we will finish the public session, and we will go to a private session and talk about staffing.

(private session)