

STATES OF JERSEY



DRAFT ANNUAL BUSINESS PLAN 2011 (P.99/2010): FIFTEENTH AMENDMENT

**Lodged au Greffe on 31st August 2010
by the Deputy of St. Mary**

STATES GREFFE

DRAFT ANNUAL BUSINESS PLAN 2011 (P.99/2010): FIFTEENTH
AMENDMENT

1 PAGE 2, PARAGRAPH (a) –

After the words “withdrawn from the consolidated fund in 2011” insert the words –

“except that the net revenue expenditure of the Economic Development Department shall be increased by £175,000 in order to maintain the level of support for tourism marketing and PR and not proceed with the Comprehensive Spending Review proposal on page 62 of the Plan ED-S5 “Reduction in funding for Route Development, destination marketing and PR” and the net revenue expenditure of the Treasury and Resources Department shall be decreased by the same amount by reducing the allocation for Restructuring Costs.”.

2 PAGE 2, PARAGRAPH (a) –

After the words “withdrawn from the consolidated fund in 2011” insert the words –

“except that the net revenue expenditure of the Economic Development Department shall be increased by £500,000 in order to allow the department to promote the island more effectively.”.

DEPUTY OF ST. MARY

REPORT

Introduction

The Minister constantly proclaims his support for diversification in the economy, and he is absolutely right to do so. We should not have all our eggs in one basket for obvious reasons. We should also have a wide range of work for Islanders to do, and that is helped by a diverse economy.

He also constantly proclaims his support for the Tourism industry, and yet it can be shown that support for the industry from this House via his department is erratic and falling.

The reasoning within the department is now quite open. Finance brings in more revenue and therefore we should favour Finance when it comes to support. This ignores the risk profile of the 2 industries, and it ignores the need to maintain a diverse economy.

To be fair, the department has not abandoned Tourism entirely, in spite of the fact that Finance is more lucrative, and has a bigger “return on investment” than Tourism. But this amendment simply seeks to put some badly-needed support and commitment behind the industry.

Amendment 1 – “Reduction in funding for Route Development, destination marketing and PR”

This is the wrong cut at the wrong time in the wrong area. This summer has seen, for example, substantial gains in the German market. The Germans are high-spenders, stay for relatively long periods, and appreciate what the Island has to offer.

Do we want to throw this progress away? Apparently the Economic Development Department does.

I urge members to reject this cut and show that we actually want visitors and we want our Tourism industry to survive and indeed prosper.

Amendment 2 – £500,000 for marketing

This summer has seen the remarkable effects of a boost to advertising spend. This was financed from the Stimulus Fund and was justified, if I remember correctly, as a response to difficult trading conditions as a result of the volcanic ash cloud and the World Cup. The year before it was the credit crunch, before that it was Haut de la Garenne.

This is hand-to-mouth funding. The Tourism industry deserves better than this.

What have been the benefits to the economy (not to mention the visitors who have got to enjoy all that our wonderful Island has to offer) of this additional spend?

Note

I will be circulating more details to members in advance of the debate.

Financial and manpower implications

Amendment 1 is cost-neutral for the States as the increase is offset with an identical reduction from the £6 million Treasury and Resources Department's central allocation for Restructuring Costs. There are no manpower implications.

Amendment 2 does not seek to take this considerable sum from the £6 million pot for the Voluntary Redundancy Scheme, as then arguments might rage over whether to remove that much would not leave enough in the pot, and the debate must be about whether members support Tourism.

However, I would point out to members that if they vote for Senator Shenton's proposal at section 4 of his amendments (P.99/2010 Amd(7)) "reduce the proposed expenditure for the Finance Sector by £762,900", then the net effect on the Consolidated Fund is positive. The arguments put forward by the Senator at pages 26 and 27 of his report are instructive.

For Amendment 2 there are no manpower implications.