

**STATES OF JERSEY**  
**Economic Affairs Scrutiny Panel**  
**Tourism P.P.P.**

**THURSDAY, 25th JUNE 2009**

**Panel:**

Deputy M.R. Higgins of St. Helier (Chairman)  
Deputy C.F. Labey of Grouville  
Deputy D.J.A. Wimberley of St. Mary  
Deputy J.M. Maçon of St. Saviour  
Deputy S. Pitman of St. Helier

**Witnesses:**

Mr. M. Graham (Tourism Development Board)  
Mr. P. Funk (Tourism Development Board)

**In attendance:**

Mr. T. Oldham (Scrutiny Officer)

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

First of all if I can just welcome you gentlemen to the hearing of the Economic Affairs Scrutiny Panel. I will introduce the panel on this side of the table and then ask you if you would introduce yourselves, partly for the benefit of the tape, but also obviously so we all know exactly who everyone is. I am Deputy Mike Higgins; I am chairman of the panel, and on my right is the vice-chairman of the panel.

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

Carolyn Labey, Deputy of Grouville.

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

Daniel Wimberley of St. Mary.

**Deputy J.M. Maçon of St. Saviour:**

Jeremy Maçon, Deputy of St. Saviour.

**Deputy S. Pitman of Helier:**

Shona Pitman, Deputy of St. Helier.

**Deputy M.R. Higgins:**

Tim Oldham is our Scrutiny Officer. If I could ask you to ...

**Mr. P. Funk (Tourism Development Board):**

Thank you very much. I am Peter Funk and I am chairman of the Tourism Development Board which looks after the Tourism Development Fund, and Mike Graham is our vice-chairman. Mike, you can ...

**Mr. M. Graham (Tourism Development Board):**

Obviously I am on the T.D.F. (Tourism Development Fund), and also I run Les Ormes. We have also got a self-catering operation and leisure operation. Like most people in the street, Les Ormes is a member of the J.H.A. (Jersey Hospitality Association) - not that I am here representing the J.H.A., but we are a member of the J.H.A. But really I am here as part of the T.D.F., and obviously we have our own self-catering organisation which we are looking to grow.

**Deputy M.R. Higgins:**

All right. Well, what I would like to do to sort of start, is obviously we are just learning a little bit about you while we were waiting for the tape, in a sense, but if you could tell us who you are, a little bit of your background, and if you could explain how you came to be involved with the T.D.F., and then we will sort of lead in ...

**Mr. P. Funk:**

I will be happy to do that. The Tourism Development Fund was set up by the States in 2001. The States at that time set aside £10 million for the development of tourism, and the fund was to aid and help the tourism industry develop infrastructure and event and other types of project. It was to be funded on a

revolving basis, and a certain amount of money would be put at the disposal of the fund. The fund would then review projects which were brought to it, or which it initiated; and then when it ran through its money it would go back to the States and get another grant from these funds that were set aside. In the event, the fund went through a couple of incarnations as far as I read the history. It has had a number of members and panels which have changed over time; and last year the decision was made by E.D.D. (Economic Development Department) to try and increase the number of members on the panel and to increase its role and its activity, and they placed advertisements in the *J.E.P. (Jersey Evening Post)* for volunteers, and myself and a number of others volunteered and we were interviewed by the Appointments Panel and went through that process. So, our members now consist of myself ... I have been selected as chairman; Mike, who has been on the board; how long have you been on the board, Mike?

**Mr. M. Graham:**

Possibly 5 or 6 years. Deputy Farnham was in charge in those days, I think.

**Mr. P. Funk:**

The other members of the panel are Lawrence Huggler who is a hotelier you may know, Kristina Le Feuvre who runs Jersey Maze, Melinda Isherwood who has a background in the tourism business, acting for tour operators, and Andy Cook who is an accountant by background and works for Family Nursing. The board has just been reconstituted and reformed in January of this year. So, we have started in, reviewed projects in front of us and projects that have been ongoing. The fund in total has expended about £2.2 million since 2001. We have supported infrastructure as well as events. We recently, for example, made a grant to the Durrell Wildlife Trust for some funding on a development plan for phase one of their new development at the park. We have made grants to Jersey Heritage. We have made grants to the Channel Islands Occupation Society. We have made grants to Branchage, who are the film festival that was set up in Jersey last year. So, it is tremendously variable, and some of the grants are very small - £5,000; some of them are quite large - £250,000, £500,000. We have also supported the Jersey Tourism's advertising campaign. We recently contributed £250,000 to the very special campaign

that was put on earlier this year to try and drive tourism numbers for this summer, which was also supported by the Jersey Hospitality Association and so on. We are, by direction, only enabled to look at non-profit schemes, non-profit activities - so not schemes of long-term. So, if you are a for-profit incorporation, an incorporated body, we do not consider that. That is what we have been doing at the moment. We see our role as being more active. We have had a historic past that, as far as I can determine, where people came to us. We are trying to get out into the community a bit more and encourage people to develop projects and come to us. We are looking for projects that have some sustaining contribution to the tourism industry; and we would like to see our role expanded so that we could consider for-profit schemes as well, and look at those with strong economic criteria and see if we could develop the situation where we were encouraging people to do certain development projects, and then fund those and receive a payback over time, perhaps, more or less as a venture capital group might. So, the role at the moment of the panel is various, but we are there to support the industry but in a very direct funding relationship from the States to the industry in the community.

**Deputy M.R. Higgins:**

Can I just explore a little bit further your relationship with government, in a sense? Are you set up as an incorporated body? I am not sure of your actual organisation. The funding says the money is given to you from the States. What is your relationship with the States, or the States departments, or which States department and so on?

**Mr. M. Graham:**

It is ultimately advisory. The Minister has the power to go above our head, does he not, and to say no, I think. Ultimately the Minister has power above us.

**Deputy M.R. Higgins:**

So, you are a panel ...

**Mr. P. Funk:**

We are a panel. The ministerial guidance of governance that we have is directly from E.D.D., and the E.D.D. Ministry. We are advised by the staff at E.D.D. We have Kevin Le Masney who does the screening of the requests for funding and assists us with advice, and liaises between ourselves and others within E.D.D. and within Tourism on the projects that we are asked to support. So, we are an independent panel responsible to the Minister. We have our own independent rights, so to speak, and we judge projects on their merit and on criteria that we have established and that have historically been established, and carry on in that fashion.

**The Deputy of St. Mary:**

Can I ask you if that freedom you felt has ever been compromised?

**Mr. P. Funk:**

You have been at it longer than I.

**Mr. M. Graham:**

Not in terms of politically, but in terms of pressure by States departments to, in a way, supplement budgets. For instance, there is an old one that is the paving of Broad Street, where sometimes you get government departments who have got tight on their budgets, and they have come to the board saying: "Well, this is a tourism related project. We would like you to put money in." Probably the most tense thing we have ever had was that debate about: "Hang on a second. Is that not a role for the department to do? Are you trying to pressurise us to put money in?" We have had one the other day where we agreed to last time, about the next Island Games, where - I think it was £20,000 - we have been asked if we agreed, because they think it is good for tourism to get the Island Games going in 2015. But then my argument would be: "Is that not really a role of E.S.C. (Education, Sport and Culture) because they have done it before?" So, it gets complex, and we have a big debate between ourselves and a frustration that we do not want to be doing the department's role for them, getting them out of a problem they may have in terms of budget shortfalls; but then we still feel it is the right thing to do for developing tourism. That is probably the biggest conflict we have. I have never had a political ... I had a very, very senior

politician there.

**Deputy M.R. Higgins:**

It is not so much the political. It is looking at the relationship of the department. That was interesting.

**Mr. M. Graham:**

The relationship with the department is advisory, is it not? The board is quite independent. We have got some quite strong-willed characters.

**Deputy M.R. Higgins:**

Which is good.

**Mr. P. Funk:**

It is. It is a very independent board, One of the bases on which I came on the board was that it would be independent, and that it did have a role to play. We are not simply there looking at recommendations from staff members of E.D.D. and saying: "Please approve this." There is a lot of debate, and a lot of consideration given to these applications, and when we turn down some applications we have had some understandably disappointed people, and there is a process of appeal. You can appeal to the Minister and say: "We think the decision that the panel has made is unfair, because..." and you put forward your reasons, and we then respond either directly to the organisation and/or to the Minister and say: "This is our view." We have had one appeal since we started in January. I suspect we have had others in prior years, but we have had one appeal since and we are dealing with it as quickly as we can.

**Mr. M. Graham:**

I was going to say the most satisfying debate I had was the Branchage Film Festival - I think this was October - where they came along, 4 or 5 of them, gave a big presentation and we very much laid into them. We were quite harsh and said: "What you give us does not convince us to get support", because the numbers they had there were not enough tourists coming to the Island. We advised them to go back,

go redo their numbers, come back and re-present; and they came back and they did outstandingly, did they not, Peter, and we ended up supporting it, because we think in the long term, it is a good product developed for Jersey if we can get people coming in October to the film festivals. If we can build that over the next 3 or 4 years we will add to the tourism numbers. So, we thought, the second time round, to support them.

**The Deputy of Grouville:**

Do you have published criteria that you work to, or is it just based on supporting tourism infrastructure?

**Mr. P. Funk:**

We have a published criteria, and we have guidelines for applicants, and we have a form in those guidelines that follows that information request pattern that is the same for everybody. You can add to it and so on. I think it is pretty clear what we are there for and what we are prepared to support and so on. What is not clear, of course, is when the applications come in, of course you see all the exceptions to the guidelines - and the guidelines are very general as well. So, you have to deal with the specifics as they arise.

**The Deputy of Grouville:**

The grant to tourism's advertising campaign, was it the Tourism Department that made an application?

**Mr. M. Graham:**

Yes.

**Mr. P. Funk:**

Yes.

**The Deputy of St. Mary:**

How did that discussion go?

**Mr. M. Graham:**

I think it was in the early spring, was it not? Based on where the industry was. It was to do with the fact of the world economy, and the fact that tourism was in a bad way, and something had to happen quickly to get a sustained programme going, because if we missed - all these things were massive on the T.V. (television) - if you do not sustain that, then you are missing that key looking period; and the view quite strongly from everybody was: "We really have to get behind this", because at the time, like now, it was not looking good for Jersey this summer.

**The Deputy of Grouville:**

Could you provide us with a copy of your criteria, because it is not in the report? I have just looked at the report and it is not in there, and it might be helpful..

**Mr. M. Graham:**

Yes. I would be happy to.

**Mr. P. Funk:**

I would be happy to. There are a set of guidelines. It is not in our 2008 report. No, it is not.

**The Deputy of St. Mary:**

Because when you spoke originally in your introduction you said that T.D.F. supported the structure events and other projects, and I just want you to comment on how that fits in with supporting a Tourism Department advertising campaign.

**Mr. M. Graham:**

It includes marketing.

**The Deputy of St. Mary:**



It includes marketing by a not-for-profit ...? Yes?

**Mr. M. Graham:**

Yes.

**Deputy M.R. Higgins:**

I must admit with you saying ...

**Mr. M. Graham:**

Well, we did the same with the airport some years ago, again when the whole issue about carriers to the Island and there were problems with arrivals; and ultimately it was sort of bums on seats. If you do not get people coming to Jersey you do not have the roots - you will not have a tourism industry. It was the same thing a few years ago when they spent a lot of money in terms of joint deals with airlines and things.

**Deputy M.R. Higgins:**

I think what is confusing me somewhat is that I would have thought the advertising, and even the roots for that matter, would be the responsibility of the Department of Tourism anyway, and I am wondering why? It seems like a circular sort of view in terms of money. So, in other words, the States have allocated you with money to do for the various infrastructure things and everything else, but in the end it is going back to the Government itself to promote some of the things that you think would come out of their budget.

**Mr. P. Funk:**

This is something the new panel has wrestled with very directly, and the level of comfort we felt with this process arose from the fact that we were being asked to fund very specific advertising campaigns; or in the instance of the spring campaign for tourism, the department had a very specific campaign they wanted to run. They had funding available to it from members of the Jersey Hospitality Association, but

only on a matched-funding basis and so on. So, our funding was matched by a special grant that came from Treasury and another grant that also came from the Jersey Hospitality Association. It was pretty clear to everybody that we had to fund that in its entirety or the pieces themselves would fall down.

**Deputy M.R. Higgins:**

You mentioned a joint funding thing, though. If I remember correctly, Jersey Hospitality put £50,000 into the campaign.

**Mr. M. Graham:**

I think the main thing was that it was E.D. or Treasury or whoever it was, were putting in X amount of money, and they would do it if the T.D.F. would also go in there. I think what we are talking about there is a classic - to us - of pressure on us to make something happen. The view we had was, whatever we might feel, we all felt stronger about making sure Jersey had a strong tourism product for this summer, and had people here. Otherwise we would all be in trouble.

**Deputy M.R. Higgins:**

I might be coming from a panel's point of view, but even if we are questioning this we are all supportive of the tourism industry.

**Mr. M. Graham:**

That was our thinking.

**Deputy M.R. Higgins:**

Yes, but it is interesting just exploring this, because we were not aware of some of it.

**The Deputy of Grouville:**

I would just like to go back to the original figures. £10 million was voted for in 2001, and you said that you have spent about two-thirds.

**Mr. P. Funk:**

No. I think the term was “set aside” which is a new one.

**The Deputy of Grouville:**

Okay. So £10 million was set aside, and you said that you spent £2.2 million thus far, which in theory should leave £7.8 million there for the taking.

**Mr. M. Graham:**

There is about £300,000. There is not very much left.

**The Deputy of Grouville:**

Well, that is what I had gleaned from various documents.

**The Deputy of St. Mary:**

Would you like to describe the process then of drawing down and going back.

**Mr. P. Funk:**

The process of drawing down is coming up very quickly, because we are running out of funds. Now, the background to this is you could see there is £10 million set aside; there must be £10 million somewhere, on deposit or whatever. No, the money is not on deposit. These are all questions that we asked. The £10 million is not on deposit. Okay. How much have we spent? I think as of January we spent a little under £2 million, £1.8 million or something. So, we had £700,000 or £800,000 in the pot. The question was asked of the Minister: “What happens next?” and he said: “Well, when you run out of money you ask for another chunk, another tranche, and that goes to Treasury with a recommendation from us, and then Treasury reacts.” To which we have said: “Right; and if they say no, do we fold up shop or whatever?” Well, the chances are they will not say no. It may have to go before the States. In other words, it seems to be unknown. But we will very shortly request another tranche of funding in line

with our understandings of the guidelines.

**Deputy S. Pitman:**

There was a few years - I cannot remember exactly which - that did not get any funding. How do you, in those years, ask for funding?

**Mr. M. Graham:**

Since I have been there there has always been funding, because there has been the original amount of money that was given all those years ago, which was £2 million or whatever it was, and it has just been gradually going down, basically; and I think in a year's time, if nothing happens, it will fold.

**Deputy S. Pitman:**

So, in those years, had you asked for money from E.D.D.?

**Mr. P. Funk:**

I am businessman. Okay? When I came on to the panel the first question I asked was: "How is this organisation funded, and how will it continue to be funded?" and the assurances that we were given at the time were that the money has been set aside. It is not sitting in a bank account waiting for you to draw upon it, but it has been set aside. This is the process that we have to go through to draw it down. We have every expectation that the Treasurer, unless times are so straightened that all funding is stopped ... there is the possibility with the capital expenditure and other freezes that are going on that the Treasury could take the view that perhaps this funding, while it was set aside, should not be given. I do not know. We as a panel would have to take a view.

**Deputy M.R. Higgins:**

I suspect it would have to go back to the States. The States would have to decide to reverse the decisions.

**Mr. M. Graham:**

If there were not some changes made I think there would be little point in giving more funding. For instance, while we should be very careful, should we allow some commercial aspects? If there was someone in the community who wants to come up with a new product which would be a fantastic thing for Jersey, but they were a private individual as opposed to a States department, at the moment we could not help to make that happen. If somebody was to come along and wanted to do that, a physical thing, it would be great if T.D.F. could go along, and there would be rules about paying money back or whatever the deal might be - pound for pound or something. But unless you can start doing that, Jersey tourism is not going to develop, because at the moment it is just Government departments asking for money for the zoo. So it is a bit of a problem. It is a fiscal issue.

**Deputy S. Pitman:**

So, do you do see this changing under the proposed P.P.P. (Public-Private Partnership)?

**Deputy M.R. Higgins:**

Well, in fact, that is what I was going to come to. Sorry, Shona; we will come to that in a second, if we may. You mentioned earlier that obviously it is only not-for-profit that you can do, and Government departments. How would you, given a free hand, like to see it develop, first of all?

**Mr. M. Graham:**

I think this is an approved criteria by the Government in terms of how you could lend to private individuals or organisations in terms of, obviously, protection of that money, whether it is a long term loan or a pound-for-pound grant, or whatever it might be. But if you really want to get some new tourism products in Jersey we need to engage with people out there. I do not think it is necessarily all bleak. It does not have to be a bad thing that they are going into making money. It is almost as long as the scheme gets money back or we end up with more business in the Island, it would be worth it. But if we want to go forward that has to happen. We cannot just have each Government department coming to us saying: "We want it for a marketing budget. We want it to pay for some pavements or something."

**Deputy M.R. Higgins:**

Now, following on from that then, and this is leading on to Shona's question, have you been involved in the discussions on the proposed Public-Private Partnership and your role within that? Has that been discussed with you?

**Mr. P. Funk:**

It has to a degree, but the discussion has been fairly limited. I think that is a result of the fact that the panel substantially is new and we are looking more closely at that. I am meeting with the Minister and his Chief Officer a week from tomorrow, at which we are going to explore that along with the funding question.

**Deputy S. Pitman:**

What discussions have you had and with whom, so far? Where do you have them?

**Mr. P. Funk:**

Well, we have read the background, the reports and so on, the background to the proposed Tourism Public-Private Partnership. The question that has arisen is should the Tourism Development Fund even be in that organisation under the umbrella of the board that would be responsible for P.P.P., or should it remain within the department? There is a clear recommendation from the consultants that it should remain within the department. I think that at the moment we are taking the view that the panel should remain independent. We think there are very sound reasons for that independence, and the corporate governance we have now seems to have worked well in the past, which would posit that we would continue under the umbrella of E.D.D.

**Deputy M.R. Higgins:**

Right.

**Deputy J.M. Maçon:**

Just going back on that, how well publicised is the Tourism Development Fund? Because you commented how ...

**Mr. P. Funk:**

It is not well publicised at all, and that is one of our objectives, to make our activities more publicly known, to practically encourage people to come to us with ideas.

**Deputy J.M. Maçon:**

If it is not well publicised ...

**Mr. M. Graham:**

Sorry to interrupt, but there is one issue. At the moment it is only non-profit people who can apply, which is obviously the zoo and Government departments. Government departments are well aware of it, but no one in the private sector can apply anyway. So, if you are going to publicise it, unless it is available to other people, it is a hard one to do.

**Deputy M.R. Higgins:**

To a wider audience

**Mr. M. Graham:**

Because all Government departments know full well.

**The Deputy of St. Mary:**

I am very concerned about this, because this list of grantees - if I can invent a word - is very wide. That is what impresses me about the T.D.F. You have got the Marie Antoine Trust, things people have never heard of: TWIGG Trust, the Band of the Island of Jersey, ShopMobility; very wide range.

**Mr. P. Funk:**

You should see the ones we turn down.

**The Deputy of St. Mary:**

The fact is, to these people, £5,000 is a massive boost to their morale

**Mr. M. Graham:**

It is, and they do a great job for tourism.

**The Deputy of St. Mary:**

They feel supported, and they can do a lot with it, and it is a wide range of people. So, how did they get to hear about it if you reckon that not many people know about it? I am puzzled by that, because they do know about it; some people do know about it.

**Mr. M. Graham:**

I think it is by the Tourism Department.

**The Deputy of St. Mary:**

So, they go and say: "How can we get some help?" or somebody tips them off.

**Mr. M. Graham:**

I may be wrong, but historically Jersey Tourism used to help groups. I think it used to help the bands, in Howard Davis Park, did they not? They used to give direct grants to them. So, maybe things like that.

**The Deputy of Grouville:**

Following on from Deputy Wimberley's point now: are you working in conjunction with Jersey Enterprise, which seem to be getting more grants and more power to their elbow?



**Mr. M. Graham:**

I think only in terms of the same officers: Mike King and Kevin Le Masney.

**Mr. P. Funk:**

They certainly have not come to us directly for a grant. Some of the people they are working with, maybe.

**The Deputy of Grouville:**

I think they are trying to encourage business opportunities in the Island. I just wonder if there is any, not co-operation, but liaisons going on between Tourism and the Development Fund?

**Mr. P. Funk:**

If there is not, that is a very good point.

**Deputy M.R. Higgins:**

Especially as they are trying to encourage small business and businesses in the Island to develop, and so on. So, you would imagine there would be a bit of affinity. In fact, can I go back as well to the actual scrutiny process. You mentioned that, in a sense, people who come here, it goes through a footing process with Kevin Le Masney who works for Economic Development. Do you get to see all the bids? Does he tell you what has come

**Mr. P. Funk:**

He tells us what has come and he tells us what is coming. He acts as a gatekeeper in the sense of telling the organisations: "Here are the guidelines and here is the information that the panel needs", and it is surprising the number of people who come and say they wish to make an application and then do not make it. I mean, it is not a daunting process, but either they go elsewhere for funding or lose interest or whatever. It is a little difficult to tell. But, no. We are aware of the pipeline. We are aware of the specific applications that are made as soon as they are made. We do not wait for meetings. Whatever,

they are distributed as quickly as possible. We have encouraged the panel to consider applications outside of meetings if that seems necessary, and we have taken a view on one or 2 applications outside of a formal meeting. So, we are trying to be as open and as resourceful as possible, and I do not think the process has held anybody back or inhibited anybody from considering applying or applying.

**Deputy S. Pitman:**

Can I go back to P.P.P.? Firstly, I just wanted to know when the first discussion was with the department on P.P.P., and secondly, how you think P.P.P. will affect T.D.F.? If you think you will have more freedom in your decision-making? Also, do you see yourselves getting money from the States more easily than you have been previously?

**Mr. M. Graham:**

I think hopefully T.D.F. will remain separate from P.P.P. for something as important as that, a robustly very specific role. I do not think with a P.P.P., a Tourism Board or a Tourism Department it should not hopefully make any difference. I do not see why it should.

**Deputy M.R. Higgins:**

So is it the view of your group essentially that you would rather be independent?

**Mr. P. Funk:**

Yes. We are independent at the moment, and officers from E.D.D. and Jersey Tourism do come and, in some instances, support some of the applications, Jersey Boat Show being an example. Branchage, the film festival, is a major event, and Donna Le Marrec, who supports events within tourism, came and supported their appearance before us; and I think that is a very healthy process. It also means that someone with expertise and knowledge of tourism and Jersey specifically has worked with the organisation and helped them to ensure that they are developing the right criteria for their project or their event or whatever. I think that is the process that we would like to encourage to continue. Although Mike and Lawrence Huggler and Kristina and Melinda and so on are very involved in the tourism

industry directly, I do not think any of us are going to become experts in it. We need outside advice; we need independent advice.

**The Deputy of Grouville:**

So, when we go to the P.P.P. model, or if we go to the P.P.P. model I should say, that will not be a States department as such. It will be a partnership with people - if I may put it this way - with vested interests in certain quarters. How do you see your relationship changing from working with the States department to partnership?

**Mr. M. Graham:**

It is already. Our relationship is not, it is with E.D.D. direct. Kevin Le Masney is at E.D.D. is a historian, is he not? He is our liaison officer through Mike King. So, our relationship is not directly with Jersey Tourism. I think T.D.F. going forward would be the same - the relationship would be E.D.D. - and I think hopefully then some point you made, talking about the enterprise bit, that would develop. To me, T.D.F. should be in a way sequence to the long-term future. Things like Jersey Live, several years ago now, T.D.F. put money into, and hopefully developed that baby, and hopefully the Branchage Film Festival, that season issue will develop, so that in 5 or 6 years time it will grow into something bigger and will stand alone. In a way that is how I see T.D.F., because the new P.P.P. or whatever is about: "Let us make the marketing plan work for next year." To me, T.D.F. has hopefully got a longer term vision about seeds to develop things.

**Deputy M.R. Higgins:**

This is interesting, because one of the concerns I have - I cannot speak for the others - is that if the P.P.P. is largely a marketing organisation, then the events and other side of it - because we have had people coming in here talking about event led tourism and so on - will be under-funded, because people are more concerned about the marketing side of it. So, do you see yourselves filling that role of dealing and supporting events going forward? What would you do?

**Mr. M. Graham:**

Jersey Live when it started, the Branchage thing, we told them to buy some staging units last year, so there have been quite a few events that have come through over the years, and the view has always been it is seed funding to get them going the first year, because that is always the hardest thing, for them to then grow. I know Jersey Tourism spent a lot on that as well, but I still see T.D.F. ... I think that has probably been one of the most successful things.

**The Deputy of Grouville:**

But the dynamics will change, because you mentioned people like Donna Le Marrec before. She will be, in theory, part of the P.P.P. organisation.

**Mr. M. Graham:**

She will have to apply.

**The Deputy of Grouville:**

So, her services might not be so readily available.

**Mr. M. Graham:**

What happens, for instance, with Donna? She made an application to the T.D.F. as a member of the Tourism Department for staging units, they had lots of small vessels and events around Jersey. She made an application. In the future P.P.P. I would see exactly the same, whether Donna or whoever else in the P.P.P. comes along to the T.D.F. and makes her application as everybody else. I do not think that should change.

**Deputy M.R. Higgins:**

It is perfectly legal to make applications; it makes no difference what body they are with. Do we have some more questions?

**The Deputy of St. Mary:**

Yes. To go back to this £10 million question, because it is important: I will put to you the situation and then you can say whether it was influenced by the fact that it was not your pot, but it was only set aside in some mythical pot, so you did not have the pot. Did that influence your attitude - it was not in your time, Mr. Funk, so you might not be able to answer - about La Chaire Gardens? I am just using it as an example. That was a big project for which I think they were asking £4 million or £5 million. The fact that it was not in your pot, did that kind of influence the way you discussed that?

**Mr. M. Graham:**

No, because that application was not for £4 million or £5 million. The application was for a seed. A long time ago. It was about getting the initial feasibility. The only thing we have done in the past which has been successful has been in aiding people to do the feasibility to see, to then make it happen. Because we all thought it was a great idea. The problem there was that it was private sector. The lady pursuing it and the team behind it was not not-for-profit, and so we immediately had a problem there. The other problem was exactly that, it was a commercial application. Then there were a lot of ownership issues, and I think there were other people involved as well, in the U.K. (United Kingdom). But in principle everyone on the board was very supportive.

**The Deputy of St. Mary:**

I am going to press you a little bit on that.

**Mr. M. Graham:**

It was several years ago.

**The Deputy of St. Mary:**

It was several years ago. We thought it was a good idea. This is a seed and it could grow to a good thing, and gardening. You know all the principal arguments, and the sticking points seem to have been mainly 2: one that it was not not-for-profit, and there were ownership issues because of the U.K.

**Mr. M. Graham:**

I am trying to remember back.

**The Deputy of St. Mary:**

Now, I thought that these had been resolved, really.

**Mr. M. Graham:**

I do not recall that. I do remember in principle it was a great project. There were lots of issues in terms of car parking. All sorts of issues they had in terms car parking, and it trundled along and trundled along, and then it sort of filtered away.

**The Deputy of St. Mary:**

But the request was for feasibility?

**Mr. M. Graham:**

But even that never got round to ...

**The Deputy of St. Mary:**

To the final stage.

**Deputy M.R. Higgins:**

Daniel, I think that ...

**The Deputy of St. Mary:**

I was just exploring whether or what to do with it. It was not available.

**Deputy M.R. Higgins:**

I must admit I am going to ask something in a similar vein before we do move back to what we should be talking about. One of the grants that you gave ... I am just curious about it because I was looking at it from a tourism point of view. You gave a substantial grant to, I think it was, Jersey Horseracing Club or something, for their land. It was about £250,000 or more.

**Mr. M. Graham:**

Yes. I remember that one.

**Deputy M.R. Higgins:**

Was it based on the tourism criteria?

**Mr. M. Graham:**

It was. It came back twice, that one. The strong view of the board was - and we have been asked and I do not think we have the question back yet - horseracing potentially is a tourism product, and our view was if they presented that many races, if they could develop it further that would mean more and more people coming to the Island. It is quite an iconic event you could have for Jersey now. I am not for the horse at all, but potentially there was a view that this could be a little seed thing to develop horses and the whole equestrian-type products to the Island. The view of the members was that they should then feed back potentially how they were developing it, which to my knowledge has not happened yet.

**Deputy M.R. Higgins:**

I was just curious. Because what you are saying I can see the logic behind it.

**Mr. M. Graham:**

Initially we all had been saying: "We are not supporting this horse riding, wealthy type thing" and I said: "Hang on a sec. There is potential here for Jersey to develop a product in a peaceful location." Where in the world have you got a horse track next to that view? It is stunning.

**Deputy M.R. Higgins:**

Right. Moving back to P.P.P. which is really what we are here for. You have already said that you have very little in the way of discussions. You are going to be having a discussion with the Minister on your roles and you have indicated in a sense where you would like to be. Do you have any views yourself on the proposed P.P.P. paper which you have read, and do you think it is a way forward? Do you think it will be successful, or do you have reservations yourselves? I know you are slightly conflicted because you are with the J.H.A. (Jersey Hospitality Association) ...

**Mr. M. Graham:**

No, I know I am not. I am talking T.D.F. and also my position in terms of Les Ormes, the self-catering operation, and the J.H.A. view is quite well-known.

**Deputy M.R. Higgins:**

They will be giving their committee evidence anyway. I am just curious to see what you think.

**Mr. M. Graham:**

I have read it several times, obviously, because it does affect the 4 of us. I spoke to Peter before; you can have a Tourism Department, a Tourism Board, a P.P.P., but ultimately it is the people within it, and their ability to act and their freedom to act, and the leadership and all those sorts of issues. If you have staff who are liberated and are free to act and have good leadership and are free - and this is speaking from just that experience - then you can have a very successful tourist department.

**The Deputy of Grouville:**

Is it not successful now?

**Mr. M. Graham:**

My personal view is I think tourism is about 95 per cent successful. I think there are some cracking people there. All my relationships with the staff there, from Donna to Mike to Simon and all the rest of



them, are very, very good. I think they are highly educated; most of them are people who do a cracking job. To me, it is about - this is not a criticism of David either - I think, the environment he is in. It is about leadership. I think any organisation, from the headmaster of a school, head teacher of a school, they set the feel of that place, and if you have the right person in there - Paul has come from a great school - can you get that within a Tourism Department, or do you need something different? I would tend towards P.P.P. I do not think it is the answer to all things in the world, and it is not guaranteed, because if you do not get the right chairman and the right chief executive it is a waste of time.

**The Deputy of Grouville:**

Well, the chairman is going to be appointed by the Minister for Economic Development.

**Mr. M. Graham:**

I heard that.

**The Deputy of Grouville:**

Well, that is according to their proposed structure.

**Mr. M. Graham:**

Well, those 2 roles are crucial. You have got to have a really good chairman, a really good chief executive. If you do not have that, then we have not got anywhere. It is quite important.

**Mr. P. Funk:**

I will give you my very quick view. P.P.P. versus government running an activity is not necessarily a distinction, and I think we have proven that in terms of developments in the U.K. and the U.S.A. (United States of America) and Europe as well, if you look at models of P.P.P. Some of them have been successful and some of them have not. As Mike said, the ones that have been successful, have mainly been successful because their objectives were very well established, they were very well staffed, and they had the good fortune to work in an area that could be successful. There are some things that will

never be successful - if you try and fix all the sewers in London or whatever, and you are a P.P.P. trying to do it or run the underground, it does not matter whether you are a public or a private body. I think the question in my mind is whether we are paying allegiance to a political motivation rather than a structural and strategic concern. I agree with Mike. I think it could work very well within government, and I think it could work very well as a Public-Private Partnership. But do you need to establish a Public-Private Partnership to make it work? We have examples here in Jersey where we have had similar structures that have struggled. I would suggest that W.E.B. (Waterfront Enterprise Board) is one of them. Would that have been better off had it remained an activity of the Government? We will never know, but certainly the responsibility of the Government is to try and run things as efficiently and as best they can.

**Deputy M.R. Higgins:**

Sometimes governments can run things well, but other times they can make a total disaster of it.

**Mr. M. Graham:**

It is the people that count. If I say anything about why I would lean slightly towards P.P.P., I am not like: "We must have a P.P.P. type of approach", it is about the ability to act that is fleet of foot, because the old traditional marketing plan that Jersey Tourism do, it is paramount in time for next year, next August, is out the window. You cannot do that any more. The world has changed so quickly and things have happened, the credit crunch, with Haut de la Garenne, and all these different issues, you have to be able to have the people thinking that sort of way. You cannot just be in a mindset, this is the way we have always done it. You have got to create that. You can do that both ways. The other thing is liberating staff, somebody has got to be able to have the ability to just encourage to take risks, come up with ideas, and not get smacked on the head all the time, which I think traditionally happens in the civil service. Sometimes they are scared to make a mistake. Whereas in the real world you have to be allowed to make some mistakes. If you are going to succeed in it you have to come up with a great idea, and sometimes you ...

**Deputy S. Pitman:**

Do you think P.P.P. will allow for that, to take those risks more than the current structure?

**Mr. M. Graham:**

I would tend slightly that way, but I am not saying it is the be all and end all. I am just saying I would think if you are out of the shell of being a civil servant, hopefully with the right leadership you will think more freely. It is not guaranteed, though. The other thing is about getting more bang for your buck and if we have better joined-up marketing I think the Jersey product out there in the newspapers and stuff will have more impact. But again that could be done currently but if you have more ... the industry in every respect pulling together and you have that Jersey logo - the bird or whatever it is - you can. So there are some issues why it can ... you could work at the Tourism Board. It is about how much you are going to let that department operate.

**Deputy M.R. Higgins:**

The other concern, besides that about people and whether you have got dynamic people, whether it be within a tourism board or in a P.P.P., one of the things with the P.P.P. obviously there are different competing interests. You are looking at the way the structure sort of comes and whether they will have a joined up sort of strategic view of Jersey rather than ... for example, if we look at conferences, we know that certain hotels specialise in conferences. Now obviously they have got a vested interest ... I am not knocking them by the way, because they contribute well to the Island but they do have a fixation about they want to fill their hotel with the conferences, so that is going to be a prime thing. We may have other venues that have got other objectives, and again it is trying to sort of match those up, so there are concerns that way. Another concern we have is the funding because we know that money is proposed to be transferred to the tourism budget to the P.P.P. but it is on the premise that money will be forthcoming from the industry, and yet we have not seen much evidence yet. I do not know how we can measure how much money is going to come from the industry to supplement it.

**Mr. M. Graham:**

There are 2 points; the last one first because I am an example of it. I have done joint marketing with Jersey Tourism in terms of adverts in U.K. papers and stuff where we pay X amount and they pay X amount, so that happens now. Whether it is me or another hotel or whatever, I think it is a good approach to have for Jersey Inc. because what we are doing is if we can increase the total spend on marketing and getting that Jersey logo up there, however good it is, for the benefit of Jersey, the Island will get more exposure and will be more joined up. So I think potentially there is a positive there. I do have a fear, and I have experienced this in some of the Jersey workshop things where the strategic role of Jersey Tourism is different to the industry. The danger of a P.P.P. type thing is you get pressurised by certain hoteliers saying: "We want to spend money next week because I have not filled my hotel, which is my job to do", but I am of the view that Jersey Tourism should have a strategic long term view for the Island that is not about my self-catering or somebody else's hotel, we should be thinking ahead and that is slightly different. The danger for P.P.P. is you would not have that.

**The Deputy of St. Mary:**

How would you ensure that ... is it possible to ensure that the P.P.P. can act in ... not in that way but in a way that is Island focused?

**Mr. M. Graham:**

It is the make-up of the board. Making sure on the board you have got ... I think it has got one politician and it has got to have a member of E.D.D. on it as well.

**The Deputy of Grouville:**

Yes, the chief officer.

**Mr. M. Graham:**

The make-up of that board is crucial.

**Mr. P. Funk:**

Senior management and ensuring continuity, that is the other concern because people come and go.

**The Deputy of Grouville:**

Yes, because going back to the staffing issue, the staff ... well, it is intended that tourism staff will be moving lock, stock and barrel to the new structure. But you obviously feel it will work better because it will get the staff out of their civil servant box.

**Mr. M. Graham:**

I would hope. I am not an evangelist saying that it is going to be the best thing in the world but I am hoping that with the right leadership and the staff done the right way, motivated, that they will feel that there is a real future to be had here and we can maybe take a few steps forward.

**The Deputy of Grouville:**

But there are concerns as to (1) who will be on the board, the make-up of ... we know the make-up but it is the personalities that fill it, and also the vested interest issue that there could be, you know, you get a few really dynamic personalities on the board and they could sway things in certain ways.

**Mr. M. Graham:**

The chairman is crucial.

**The Deputy of Grouville:**

That has got to be balanced with what you are getting out of it compared to now. So what would be the difference between that and an advisory board advising the Minister of the way forward strategically and everything else for tourism?

**Mr. M. Graham:**

That is a hard one, I think.

**Mr. P. Funk:**

An independent board will have more power. An advisory board is just that, it is advisory.

**Deputy M.R. Higgins:**

I think one of the concerns as well ...

**Mr. P. Funk:**

It does not necessarily mean that the advice is follow or that the advice given is good. There is an odd relationship there.

**Mr. M. Graham:**

I think there are 3 things; you have to either stay as you are but you need - not a Member, a Tourism Minister - but you need say a politician who is representing because I think the E.D.D. is such a big ... it is massive, is it not? I do not think tourism is getting the right political amount of input at the moment. Whatever we all think it touches every part of our life from airplanes to restaurants and the rest of it. It really needs a politician more dedicated to it or you go to the Tourism Board which set up right, which might cover the sort of things you are talking about, so it might be like a P.P.P. but a board that is done quite different, or you go to the P.P.P. and make sure you have got the right controls. Any of them could all work done the right way.

**The Deputy of Grouville:**

Plus a few dynamic characters appointments within the department.

**Deputy M.R. Higgins:**

Within the private or public sector, yes. I think one of the things too, is we have had to express that there are some people who believe that a P.P.P. is the way forward and, to put it bluntly, because they would like to see totally new staff running things. There are some people who express that sort of view. There are others who ... well, I mean we are hearing that argument from some quarters and obviously

from the staff point of view they are very concerned about transferring from the public sector to a private sector, then suddenly finding that they will not have a job. So we are getting sort of 2 ...

**Mr. M. Graham:**

It is appalling the fact that people would have said those things to what are decent people in terms of the staff. That is appalling and whoever they are should be told that. I would ... if I was running the P.P.P. I would ... I can not think of anyone in Jersey Tourism who I would not want to work with. I think most of them are good quality people. I just personally think it needs that spark to liberate them.

**The Deputy of St. Mary:**

There is another issue which came up in a panel yesterday, which is the one year cycle within which politicians live and move, and also departments to some extent. I wonder if you would comment on whether the P.P.P. as opposed to the existing is likely to get away from the one year cycle towards a more strategic ... okay, so we have got the plan. We are actually going to carry out this plan, it may take 5 years and the budget also may take 5 years. You have been talking about planting seeds, and that is the kind of thinking you need, so I just wonder whether you would like to comment on the aspect of the cycle and the one year and so on, which is more likely to get away from that and become more ...

**Mr. P. Funk:**

You are talking about the one year cycle in what respect?

**The Deputy of St. Mary:**

Well, for instance, yesterday ...

**Mr. P. Funk:**

You mean the marketing plan for a year or ...?

**The Deputy of St. Mary:**

No, I am not thinking about that. I was thinking more in terms of a ... for instance with energy efficiency you have a payback period and you have to get away from ... because in the one year cycle you will never spend the money because you cannot think ahead 5 years.

**Mr. M. Graham:**

Personally, if you had a P.P.P. and the right board, I would hope that would be more a long term strategic thing as opposed to getting away from politics, which the nature of politics, which you are all in, is today/tomorrow type thing, I guess. Whatever happens it needs to be long term thinking. The whole idea of whatever it is, it has to be strategic for the long term. It is no good worrying about next month.

**Deputy M.R. Higgins:**

This is one of the problems obviously with the States system with annual business plans so much money is allocated, and there may be cutbacks this year and you do not know what is going to be cut, so it is not taking that long term view. Can I just come to 2 other things too. We have had people talk about a way forward, we had some people the other day who were saying that they foresaw event led tourism, in the sense they were putting forward events. Now we have also heard arguments, not at these hearings, but from the department, that people do not come to events. Which way is it?

**Mr. M. Graham:**

I heard Robert Parker on the radio only yesterday. I heard quite a bit and I sent an email straight away to the department because I thought it was extremely rude not to bother to talk to the department, and my comment was the most important thing is the main season tourism industry. That is what has to be the objective of the department. Events: we have a lot of events in Jersey. We support it as well and we have a fantastic extensive events programme in Jersey, better than I know anywhere. It is outstanding. It is part of Donna's area. It is massive. So for somebody to say we need more of it I would say: "No, you do not. It is about right. Yes, we need it but do not start trying to take away from your main tourism product to start putting money into events." One problem Jersey has with events is we are not



in Dorset or Surrey where you can just jump in your car and get there in 2 hours. You come to an event here you have got to fly here, stay in a hotel, it is a lot more expensive. So we must not get too carried away by having huge massive events that we are not necessarily going to win in that market. We have got a very good event programme, that I think is outstanding, and to develop it much further is more difficult. The Branchage we have supported but very much our view has been do it smallish this year, build it incrementally. The Battle of Flowers built up over decades. The best events are the ones that grow incrementally. Same with Jersey Live. If you try and whack in a big event tomorrow and chuck hundreds of thousands of pounds at it it will fail. We made a mistake in T.D.F. when I first started where we supported a big huge Gorey festival. The board had half politicians on it and they were very keen to support it at the time, and it was £250,000 I think and it was an utter disaster. I feel embarrassed ever since that money was wasted. I think we got most of it back but it was still wasted. So I would definitely not agree. I think the event balance is about right. I think the department is about right.

**Deputy M.R. Higgins:**

Just following on what you were saying then, so when you talk about putting money into the main product can you explain a bit more what you mean by that?

**Mr. M. Graham:**

I mean the main season product we have in terms of people coming on holiday here. The main ... what pays for all these hotels and restaurants is people coming on holiday to Jersey, not for an event but to enjoy the zoo, the scenery, walking, trips around the Island, they are the main bulk and 80 per cent of it, and if you start cutting into that and start saying: "Oh, we want to risk spending more money on some event" and not ... missing out your main season I think you are in trouble.

**The Deputy of Grouville:**

I was going to say, do you think with the P.P.P. structure something could be lost within the community? Events like, for example - I do not know who is giving it, maybe you or maybe the department - £2,000 to the Hamptonne Black Butter making. Now it is nothing but it is going to feature

in Country Life magazine, but it is a big ... it is not going to bring in the tourists but it is a very good localised community type event. Do you feel that something could be lost with these type of events?

**Mr. M. Graham:**

If you do not have a tourism department or a P.P.P., it should ... I hate to say it, I do not think ... they are there for a role. If as a community we feel we should be supporting Hamptonne in an untourism thing then we, as a community, should be doing it through whatever the right, if it is educational or whatever, social, whatever it might be. If we are going to have a tourism department or a P.P.P. I think we should all stick to what it is there to do, which is to do tourism.

**The Deputy of Grouville:**

So these sort of events would be ...

**Mr. M. Graham:**

I do not know if those are departments or P.P.P. ...

**The Deputy of Grouville:**

... would be lost somewhere is what you are saying because ...

**Mr. M. Graham:**

I think it would.

**The Deputy of St. Mary:**

Is there not a role though for yourselves, and I think some of your projects fit into this, enhancing the visitor experience. You see the cheapest marketing is the person who goes home and says: "Gee, I went to this fantastic event. They are still doing this stuff and they have been doing it for 80 years, blah blah blah" which is the National Trust, by the way. So that £2,000 is product development, so I would have thought that it was perfectly legit to say that is tourism.

**Mr. M. Graham:**

If the right case ... if it is a seed development to develop it as the recreation of the Island in terms of product, then absolutely. But if it is just an annual sort of we are hiding it because Tourism are paying out for it, then is that right.

**Mr. P. Funk:**

Those are certainly the questions we are asking in the Tourism Development Fund discussions that we have on applications that are made. There is a surprising amount of crossover. I was on the plane to London on Sunday night and there must have been a dozen people on the plane who did not live in Jersey who had come over for the Itex walk. I spoke to them very specifically and they said: "Oh, we go to lots of these things and this looked like a great day and we had terrific weekend" and so on. So encouraging those kinds of events, we are supporting them in part, sometimes does not take a lot of money and sometimes can be of tremendous benefit.

**Deputy M.R. Higgins:**

I would like to follow up on one thing though, just moving on to your role forward. You mentioned about involving the private sector and that. One thing I have always felt was defective, and I do not know if this is a view you would hold, is that we should be joint investment with the hoteliers, infrastructural, whether it be people for attractions in the Island; putting money in so that we are developing the tourism product, in a sense. It may take time for the money to come back but at least you are helping develop schemes which would not otherwise be there because there is not a total amount of funding. Is that a role that you see the T.D.F. moving into? Is it one you would like to move into if you had the funding?

**Mr. P. Funk:**

I think the answer is yes, it is a role we would like to move into because the crossover between the non profit and profit organisation is very apparent. They are both doing much the same thing in some

respects. We would have to be very careful about the projects we support. I mean if somebody wanted to put a new roof on this hotel would that be something the Tourism Development Fund should support? Probably not. If you wanted to do something, organise an event in his hotel or whatever, would that be something we should support? Well, it may be no different than somebody else applying from a non profit organisation. I would think we might apply the same criteria. I think the important thing would be to seek matching funding, in other words not to be the sole source of funding. The other important element would be to seek some kind of a return. In other words, it might be a very long term return. It might be 10 years or 15 years or whatever. I am not suggesting we become a bank but certainly we would like to look toward organisations to develop things or events or projects that were self-sustaining.

**Mr. M. Graham:**

I have got a classic for you. I know the Seymour Group have looked at indoor bowls. Indoor bowls, I am not a bowler, but in terms of the sport world it is a huge tourism product, and I know he wants to develop an indoor bowls thing. If there was this thing where they were allowed to work with the T.D.F. on something, that is the sort of project I think would be a classic for saying: "Well, there is a market here. It is a new tourism product for Jersey." It is indoors. It is a winter one so it is a good shoulder season and all that sort of stuff. If it is going to cost him £2 million and he comes here for some sort of long term industry level of funding, whatever it might be, that is a product that would hand something to Jersey that we have not got today and we might fill hotel beds in the shoulder season. So that is the sort of thing that I would personally love to support.

**The Deputy of St. Mary:**

What is the hold up then? That is obviously a good idea. I was thinking political support in the Chamber, not a problem.

**Mr. P. Funk:**

Our remit very clearly said you can only consider applications from non profit organisations.

**The Deputy of St. Mary:**

Progressing that sort of idea ...

**Mr. M. Graham:**

I think it is for the Minister to come back ... I shall have words with the Minister to talk to all of you, I suppose, and take it forward. I do not know how it works.

**Deputy M.R. Higgins:**

It is not really the role of here but we ...

**The Deputy of St. Mary:**

It is relevant.

**Deputy M.R. Higgins:**

I know it is relevant here in one sense but there is ... we have had the debate on the Strategic Plan about diversifying the economy and about expanding tourism and ... there is a view that has been expressed that we should be concentrating on high value investments, and I think they thought tourism did not fall within high value, sort of low impact type of activity. I might add there is disagreement on that, but anyway. Have you had any discussions with the Minister on changing your terms of reference?

**Mr. P. Funk:**

Yes, he has said to us that he wishes to change the terms of reference so that we ... so that applications from profit making bodies would be entertained and would be possible to be entertained.

**Deputy M.R. Higgins:**

This has taken place, yes?

**Mr. P. Funk:**

He has. He has stated that as one of his objectives. We discussed at our last meeting some of the criteria that we might use to bring in on top of the criteria we use at the moment to look at applications and how that might work and so on, because we are now on another area where you are supporting a profit making activity and as soon as you do the other guy with a similar activity is going to wonder why you have not supported him. We see that now, I mean grants to Durrell or a tremendous tourist attraction have been made yet there are people within the tourism industry who would say they are a direct competitor of theirs and therefore we are supporting a direct competitor. There is a bit of unfairness about that. Nobody has made that point very strongly but it has been discussed.

**The Deputy of St. Mary:**

But the relevance of the P.P.P. and whether P.P.P. is desirable or not or middling is ... does the existence or not of P.P.P. have any effect on the kind of discussion and the progress towards being able to make these sorts of ... to have basically preferential finance for the tourism industry and others?

**Mr. M. Graham:**

Do not see why it should.

**The Deputy of St. Mary:**

It does not make any difference.

**Mr. M. Graham:**

I do not think it makes any difference.

**The Deputy of St. Mary:**

That is what I was wondering whether there was any difference at all.

**Mr. P. Funk:**

I mean as I understand it, the hospitality industry wanted some years ago, and I think it is 2003, somewhere there, they wanted to turn the T.D.F. into a fund that could lend or give grants to non profit organisations ... to profit making organisations, and there was quite a bit of debate about that, but my understanding is that it was not a matching fund concept for, you know: “We will put up so much, you put up so much.” It was an outright grant and there was a lot of political resistance to that and so on. But again I do not know the specific history of it, but apparently there was a proposition brought before the States, and it looked a little like this one but back in 2003, 2004 it was then turned down in part on this political question of grants.

**Deputy J.M. Maçon:**

Going back to your comment about the core market and the core visitor, from certain things which we have had presented before us, such as the tourism audit and things like that, it talks, what the chairman was talking about, about encouraging new high worth clients to Jersey and issues like that, and part of the concern I think the panel is having is changing the notion of what is the Jersey product into something different, and again it is how when you talk about your core market, how desirable is that activity?

**Mr. M. Graham:**

Any business, to discount your core market and just forget about it and go off on another tangent is a dangerous thing to do. You must keep that. But then you must also be trying ... at the same time you should always be looking to develop new products. I read this again this morning and I was astounded a third of our tourists are over 65 and we have got a very ... 13 per cent I think are families with children. Jersey is a fantastic place for families as a product. So, in my view, that is something that should be worked on and developed further. We should be reading this and saying: “Hang on a sec, there are issues here that we can develop further markets and do better on them” but we should not just discount the fact that the over-65s are a better market than ... we should still look after them and not just say: “Sorry, we do not want you any more.” Hang on to them but still try and develop the new markets because they may not be around for as long as we want them to be. So, I am not sure that answers your

point but ...

**Deputy M.R. Higgins:**

I see what you are getting at. Can I just go back ... sorry just to the investment thing again. I just wonder, and I guess none of us will really know the answer, if we had had a fund in the past that could have aided profit making companies in terms of ... on a match funding basis of helping them invest in the industry do you think that we would have lost the hotels we have had in the past? We have lost an awful lot of hotels and they have gone into flats and everything else; do you think that was a mistake in the past that we did not.

**Mr. M. Graham:**

I think we should have ... we should help commercial organisations with obviously the right rules in place. But there are lots of ... the gardens, for instance. It was a commercial thing, it was a great product, Jersey has fantastic gardens. People talked to you years ago about one of those gardens inside glass buildings, and stuff.

**Deputy M.R. Higgins:**

The Eden Project.

**Mr. M. Graham:**

The Eden Project, that was talked about some years ago. There are certain things like that. The indoor bowls is a great product. There are certain products that if somebody wants to invest in that we should always consider. Just because somebody is going to make some money out of it we have to balance that. If we have more people coming through the airport and drive round the harbour the airport is making more money, more money which helps our economy.

**The Deputy of Grouville:**

You are not suggesting monies be given to the guesthouse down the road that has not invested in itself



since 1966.

**Mr. M. Graham:**

Definitely not. But you could possibly, it is a hard one to work out, put an argument saying where somebody wanted to build a new ... it was actually. Jersey Heritage with the watchtowers in port, which was a brilliant investment because in terms of the articles you see in the media they had great publicity. But if somebody wanted to do something to do with a tourism product that added 20 rooms and we work out that is going to generate X amount of money for Jersey Inc., and that was going to be some sort of form of funding or whatever, then you might consider it but a lot of detail would have to be done because it would have to be done very carefully. That is not really my primary thing; my primary thing is about new attractions that are going to attract people to Jersey because hopefully that then generates people wanting to invest in hotels. You get very careful. When you start paying for some of these hotels you are on really ... politically it is a tough one.

**Deputy M.R. Higgins:**

I think we have been going all over the place but can I just go round the panel and see if they have got any other questions and then I will ask you to make any observations, comments, anything you would like to tell us before you go. Have you got anything, Jeremy?

**Deputy J.M. Maçon:**

Just quickly going back to what was raised about the community and tying into the core market, part of what attracts, I would suggest, people to Jersey is the whole community activities which go on within the Island and, again, moving into a Public-Private Partnership where perhaps they are just seen as: "This is a community thing, why are we funding it?" Looking at it from that angle what are your opinions?

**Mr. M. Graham:**

That is a difficult one because if you have St. Peter, who have got a fete this weekend, if they were to

ask the P.P.P. for some funding we would not get it.

**The Deputy of Grouville:**

Let us take a classic one, because this was going to be my question. Battle of Flowers, it is arguable if that is a tourist event or if it is a community event.

**Mr. M. Graham:**

Spot on.

**The Deputy of Grouville:**

So, where would that fall?

**Mr. M. Graham:**

If I was in the P.P.P. I would not fund it. No, what I would say to the Battle of Flowers, you are in the middle of August, the hotels are full then. If you were on Liberation Day or shoulder season we would happily support it because if it was then it would attract people in.

**The Deputy of Grouville:**

You are touching on community there.

**Mr. M. Graham:**

Exactly, and that is the whole ... the problem with P.P.P. is the community get ...

**The Deputy of Grouville:**

How do these floats get built?

**Mr. M. Graham:**

Tourism pays ... it is a big sum, is it not?

**Deputy M.R. Higgins:**

About £120,000, £140,000, I think.

**Mr. M. Graham:**

The only way round that is to say, right, Tourism currently gets, if it was £100,000 a year, to support Battle of Flowers you take that out of the budget and you put it back into ... I am not sure which department looks after community, I guess Education, Sport and Culture. You take it out of that department and say: "We think this thing is so important for our community it is going to be taken out of the Tourism budget, it is going to go in E.S.C." so you then do not ... it is when you make things fluffy it makes it difficult. If you just say: "Well, we have always had that. You have always had it in your budget, we are going to move it over there" and then it is hopefully problem solved.

**The Deputy of St. Mary:**

More an observation than a question; when things are fluffy - because I think it is a very important issue this in the community and the fact that the texture or place is what brings people ... certainly what brings people back. I have just seen a poster for the Bonne Nuit Water Festival or something, it was a pure community event. But when people find themselves there they will be: "Wow." So if you do keep things fluffy, if you have everything tight you might lose support completely whereas if it is a bit fluffy then you might get away with stuff, because there might be people in a big house who fail to understand these issues at all.

**Mr. M. Graham:**

But that is a big thing you would need to resolve politically in terms of ...

**The Deputy of St. Mary:**

But in terms of tourism I see there is no problem at all. It is product development.

**Mr. M. Graham:**

Then again - I am not on the P.P.P. so I have not got a clue how the people would be - but they should make the rational judgment saying well, the decision on a festival is important because we think, in the long term, it is good for tourism. We have the water one, which Donna organises each year. That is classically good tourism. Walking weeks, fantastic for tourism. There is a whole range of them, are there not, which you would be nuts not to do.

**Deputy M.R. Higgins:**

I think most of mine have been answered as well. What I would say from our side anyway I think it has been very helpful. I am going to ask you to give your views in a second but we skated beyond P.P.P. and obviously we were looking at your role because we are again trying to see whether it should be within P.P.P. or separate, so it was very valuable sharing your comments with us. Can I ask you if you have any other sort of comments you would like to make to us?

**Mr. P. Funk:**

You are looking at a very, very interesting subject. It will be equally interesting to see how you report. I think tourism from the standpoint of the Tourism Development Fund I think there is a very important role that this fund has played in the past and can continue to play. I think from the standpoint of governance, whether it works alongside a T.P.P.P. (Traditional Public-Private Partnership) and reports into E.D.D. or has some other reporting structure is not terribly important as long as there is a strong relationship between the professionals who are working in tourism and the panel itself, who are assessing projects that are brought to it or projects which it encourages. I think there is a larger issue, and it affects your consideration of T.P.P.P. as well as our consideration of where we go in T.D.F., and that is funding. How are these things going to get funded and how are they going to be sustained? Again, there is the philosophical question of governance and whether the government governs or the government grades independent bodies outside of itself which in turn govern, and there are many, many models.

**Deputy M.R. Higgins:**

Anything you would like to add?

**Mr. M. Graham:**

I think that is pretty much it. Only that I would probably lean toward P.P.P. but I think it is very important that you have to make sure that the community things that we all value are protected somehow either by budget moves or something because if you have a P.P.P. they will have presumably a clear remit to ... quite a specific remit and those community things ...

**The Deputy of Grouville:**

Commercial?

**Mr. M. Graham:**

Yes. So those community things, the best way is just to stick with the budget that way it is protected. It would be a great shame if we did not protect them.

**Deputy M.R. Higgins:**

Thank you once again.

**Mr. P. Funk:**

Thank you very much.