

JERSEY AIRPORT: FUTURE FUNDING (P.198/2002) - COMMENTS

**Presented to the States on 19th November 2002
by the Tourism Committee**



STATES OF JERSEY

STATES GREFFE

150

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Comments

The Tourism Committee supports the view that Jersey Airport should be regarded as a strategic asset for the Island and is an important utility supporting virtually every sector of social and economic activity within the Island. It is, therefore, inappropriate that airline passengers are being asked to pay for a planned capital expenditure programme and a raft of services which are not directly associated with their journey.

The Tourism Committee, therefore, supports in principle the proposals set out in the Report and Proposition and summarised on page 17 under the heading “Community Services and Hidden Subsidies” providing that these costs do not simply emerge elsewhere as increased costs to passengers.

The report is short of detail in regard to demand patterns and marketing opportunities. The section under the sub-headline “Increasing Passenger Numbers” provides a number of reasons why various initiatives have been discounted but offers little dialogue or suggestions as to how volumes at Jersey Airport might be increased.

The Tourism Committee is, therefore, of the opinion that a full study of demand patterns needs to be undertaken and that a business and marketing plan should be produced which deals with both the opportunity of increasing passenger numbers at Jersey Airport and methods of increasing revenues from non aeronautical activity.

The OXERA report is based upon an anticipated drop in passenger numbers at Jersey Airport of 2% per annum, but it is known that currently the decline in passenger numbers is already significantly greater than this. It therefore follows that the OXERA model will not be sufficient to meet the financial requirements of Jersey Airport and that therefore alternative methods of revenue generation will be required.

The Tourism Committee therefore seeks the support of the States in suggesting that a business and marketing plan is required which includes a robust study of demand patterns to be coupled with the supply side issues which have been identified associated with capital redevelopment.