

## **5. Questions to Ministers without notice - The Minister for Economic Development**

### **The Bailiff:**

Very well. That concludes question time, and we now come to questions to Ministers without notice. The first period is to the Minister for Economic Development

#### **5.1 Deputy G.P. Southern:**

Has the Minister given up on the idea of diversification of the economy since he has removed a third of a million pounds from grants to tourism, £100,000 or thereabouts from area grants and area payments to agriculture, while boosting additional support to J.F.L., and will the Minister state how much extra money is going to Jersey Finance Limited?

#### **Senator A.J.H. Maclean (The Minister for Economic Development):**

No, I have not given up on diversification at all, and what the Deputy fails to mention is that we have also increased funding for Jersey Enterprise, which is a key function in terms of delivering support and the ability for businesses locally to diversify within the economy. That is what I call an important move, additional funding for Jersey Finance is absolutely right at the moment to ensure that we can maintain our vitally important finance industry, to ensure that we can maintain jobs and build for the recovery which will no doubt come.

##### **5.1.1 Deputy G.P. Southern:**

Why do identical arguments not apply to tourism which is seeing its budgets or support cut by a third of a million pounds?

#### **Senator A.J.H. Maclean:**

We do continue to support tourism in many different ways. We have a limited budget however, and we have to ensure that where we put our budget is in the most productive fashion that we can. Now to be fair to the Deputy, he raises the issue about tourism and suggests that because we are cutting the headline figure we were not supporting them. That is not the case at all. Some of the money that has been taken from tourism, put into Jersey Enterprise, is to help local businesses be more effective, more productive within the tourism sector.

#### **5.2 Deputy T.M. Pitman:**

Really to follow on from my colleague to the centre left, sorry to do that. Contrary to the suggestion of the Minister for Treasury and Resources earlier today, rather than advocating throwing money at problems, like many other Members, I believe that in increasingly uncertain times when jurisdictions are relying all too heavily on a single finance industry, we should be taking a long-term view and investing to invigorate our tourism industry. Yet his fiscal stimulus figures given reveal ...

### **The Bailiff:**

Is this a question, please?

#### **Deputy T.M. Pitman:**

Yes ... what can only be called tokenistic support from his department; does the Minister see any value in tourism having a separate Minister to fight its corner and ensure the support necessary to grow rather than wither and die, which will surely happen under his stewardship?

#### **Senator A.J.H. Maclean:**

I am not sure if there was a question in there? Is he asking me if I am supportive of tourism? The answer is yes. Indeed we have made an application to the Treasury for stimulus funding on the back of, in particular, the volcanic ash incident which has obviously hit the tourism industry and various strikes such as the British Airways strike, which has also had an impact. We work

closely with the industry. We have set up a Tourism Marketing Panel which includes a wide and diverse professional range of individuals to support the marketing of tourism. It is an important industry and it has my 100 per cent support.

### **5.2.1 Deputy T.M. Pitman:**

To be fair the question was long, but it was in English. Does the Minister see any benefit in having a separate Tourism Minister who would fight this far better than he is?

### **Senator A.J.H. Maclean:**

I object to that. I disagree that I am not supporting the tourism sector. As I have already said, I support tourism 100 per cent and will continue to work closely with the industry to ensure that it has the support that it deserves and needs.

### **5.3 The Deputy of St. Mary:**

In the light of what the Minister has just said, from 2007 to 2009 - in those 3 years - the overall budget for tourism has gone up £1.5 million, down £800,000 and down £1.7 million in 3 successive years. Can the Minister explain his words of support for the industry in the light of these massive cuts?

[15:00]

I would say that the figures for the last 2 years include money given for special ... the Child Abuse inquiry and the economic downturn. So it would have been £1.5 million up, £1.5 million down, £2.5 million down. That is the extent of the cuts. Please can the Minister explain how he can say he supports the industry?

### **Senator A.J.H. Maclean:**

The Deputy of St. Mary and some of the Members are confusing headline spend with productivity and effectiveness in terms of the support that we deliver to the tourism industry. The Deputy of St. Mary is also overlooking the fact in 2009 in recognition of the difficult economic climate that the Island was facing; we managed to inject a further £850,000 into tourism. Part of that, £50,000, was very welcome and it came from the Jersey Hospitality Association. What that demonstrated for the first time was that both my department and the industry are working closer and closer. That is the way we are going to support tourism, by working closely with them to ensure that we target our spend in the most effective way possible; and in fact, if the Deputy and others look closely at the statistics, what we can see is that the Island has been performing quite well in comparison to many other destinations. I am not satisfied with quite well; I am satisfied with very well, and we have to continue to work hard in partnership with the industry.

### **5.3.1 The Deputy of St. Mary:**

May I ask a related question? The last line of the C.S.R. cuts under Economic Development is "terminate employment of a U.K. representative, £44,000." Would the Minister explain to the House what that means?

### **Senator A.J.H. Maclean:**

Yes. A representative is employed in the U.K. that delivers services, but that post is one that was proving to be less and less productive in terms of outcome, and it was identified as an obvious case of stopping that particular service. I think the point that I am making, and it is demonstrated in that particular area, is that what money and funds we have, we have to ensure we get a maximum return possible for.

### **The Deputy of St. Mary:**

Would the Minister clarify which service? He has not said which service.

**The Bailiff:**

No, no. Deputy, please do not continue speaking when I am speaking. You have asked your questions; you have had your time. Other Members wish to ask and you have to take your turn.

**5.3.2 Deputy K.C. Lewis:**

As much as I am aware for the need to make savings, the removal of the lifeguard service at Havre des Pas pool, which is a front-line service, for reasons of health and safety is surely a step too far. Does the Minister not agree?

**Senator A.J.H. Maclean:**

I understand the difficulty with regard to the lifeguard service. There is however a difference here. The service at Havre des Pas is Education, Sport and Culture, not Economic Development.

**5.4 Deputy A.K.F. Green of St. Helier:**

I can help the Minister make some savings. Given that the Director of the J.C.R.A. (Jersey Competition Regulatory Authority) has announced his resignation, is this not an ideal time to close down the department with a saving of around £400,000 a year [Approbation], and if not why not?

**Senator A.J.H. Maclean:**

I am afraid I missed the end of the question. There was some banging of feet to my left. But to answer the first part of the question, no, I do not.

**Deputy A.K.F. Green:**

Second part of the question was if not why not?

**Senator A.J.H. Maclean:**

Because the J.C.R.A. fulfil a valuable service within the Island. Since they have been in the post I think there is no question that we have a more competitive economy, we have seen better value for consumers, we have seen downward price pressure in a number of areas, Telecom being one in particular. I think they have a valuable role both from a competition and a regulatory standpoint, and they have my full support.

**5.4.1 Deputy A.K.F. Green:**

Telecom in particular - perhaps the Minister could tell us in round figures, although this is questions without notice, how much money we have got as a result of selling the licences to Telecom's competitors.

**Senator A.J.H. Maclean:**

The value in terms of the J.C.R.A. and the telecoms market and the liberalisation of the telecoms market in bringing in new operators has been to the consumer largely. Consumers have greater choice, consumers have lower prices. In that respect I think it is positive. We should also bear in mind, and this is an important point, that as far as employment is concerned there are more people employed in the telecoms sector now than there was previously. There has just been redistribution in that regard. With regard to the Deputy's question on the exact figure, I do not have the figure but I am more than happy to supply him with it.

**5.5 Connétable K.P. Vibert of St. Ouen:**

Would the Minister agree with me that the recent 2010 Tour de Bretagne event in Jersey was not only a great success as far as Islanders were concerned, but a very positive promotion of the Island across the whole of France through the use of the French T.V. (television) sports channels? [Approbation]

**Senator A.J.H. Maclean:**

Yes, I would agree with the Constable. Not only would I agree with him, I would thank him for his considerable input into the event. The event was hugely successful. I think it developed great relationships with the region of Brittany. We were honoured to have the President of Brittany in the Island, and he is going to return towards the end of the year to develop closer economic, educational and other links. He sees great benefit, and I think all round it demonstrates how sport can feed into many other areas of society. So it was a great success, and I thank the Constable.

**5.6 Senator S.C. Ferguson:**

When Members have had a look at their annex to the Accounts, Appendix 2 on page 179 is a very useful list of all grant monies paid by the States. However, under the Economic Development Sector there is the Tourism Development Fund, and I wonder if the Minister could explain why the biggest beneficiary, something like £260,000 out of the £416,000 allocated, is to the Tourism Department?

**Senator A.J.H. Maclean:**

Well, I think indeed one can see, and Members can see perhaps, how the Tourism Development Fund, although the fund is now quite low, has been used to substitute funding for tourism. We have an issue with regard to the Tourism Development Fund insofar as it is to provide funding for largely or effectively non-profit making organisations as such. I am keen to come to the House as soon as is possible to open up a remit for the Tourism Development Fund to allow private sector investment; to do that we will be able to leverage far greater benefits for the tourism sector. The Senator asks specifically why the funding was put towards the Tourism Department. Well, because the Tourism Department came forward with projects that met the criteria of the Tourism Development Fund, and enhanced and benefited the tourism industry.

**5.6.1 Senator S.C. Ferguson:**

But does the Minister not realise that it is really a bit like moving it from one government pocket to another government pocket? Is this really the way we should be using taxpayers' money?

**Senator A.J.H. Maclean:**

If the funding is going to the appropriate end recipient, in other words the support of the tourism industry which is what the T.D.F. (Tourism Development Fund) was set up for, then I think it is absolutely right and proper. However I am not satisfied with the criteria and restrictions, if you like, that the Tourism Development Fund currently has. It needs more funding. I am working to try and see if we can get more funding into it and open it up by bringing a proposition to this House for Members to vote on. I think that is a positive way forward for the Tourism Development Fund.

**5.7 Senator B.E. Shenton:**

In the Annual Report the Rural Sector of Policy and Regulation had a Business Plan budget of £290,000, yet in 2009 managed to spend £466,000, which was £175,000 over budget, which is well over 60 per cent over budget. Could the Minister explain why?

**Senator A.J.H. Maclean:**

I cannot explain why but I am more than happy to get back to the Senator with the detail and exact breakdown.

**5.7.1 Senator B.E. Shenton:**

Does the Minister know how money is spent within his department?

**Senator A.J.H. Maclean:**

Yes, but if the Senator wants detail I think it is appropriate I should get back to him on a separate occasion.

**5.8 Senator J.L. Perchard:**

The Jersey Hospitality Association held a presentation recently to which the Minister and many Members attended. At this presentation, the Association spoke enthusiastically about the proposal to establish a public-private partnership to advertise, promote and administer the tourism industry. Will the Minister, as he did on that occasion, offer his support for the plan to establish a public-private partnership and explain to Members how he intends to advance this good cause?

**Senator A.J.H. Maclean:**

Yes, I can confirm to the Senator as he is aware, that I am supportive of the concept of moving to a P.P.P. (Private-Public Partnership), as indeed I said at the time, and I should record that both my department and the industry have worked very closely together on these particular proposals for a number of years. We are, however, in a different economic climate at the moment, and therefore discussions are ongoing with the industry as to the exact timing of this particular proposal coming forward. But the principle behind it I am fully supportive of and, in fact, we are in fact moving within the department to introduce a number of the benefits that would come ultimately from formal P.P.P. One of those is the introduction of a Tourism Marketing Panel which has already been put in place in recent months.

**5.8.1 Senator J.L. Perchard:**

I feel bound to ask a supplementary of the Minister. The industry representatives at that presentation were extremely enthusiastic about the possibility of forming a P.P.P. with Economic Development to promote and advertise tourism. From their end any hold up is from Economic Development's end. Will the Minister please explain why he cannot fast-track this plan? The industry is very enthusiastic. Is the Minister not really enthusiastic?

**Senator A.J.H. Maclean:**

What the Senator is saying I am afraid is incorrect. We are working closely and collaboratively with the industry to progress a P.P.P. and in fact any delays are in full agreement of the industry themselves. We are having ongoing discussions with them and I think the position is positive and it is right that we should work collaboratively with the industry in order to bring forward these proposals, which I do support, for the avoidance of any doubt.