

Tourism Alliance

The Voice of Tourism

02 December 2002

Mr Fergus Reid
Clerk to the Committee
Culture, Media and Sport Committee
7 Millbank
London SW1P 3JA

Dear Sir

TOURISM ALLIANCE EVIDENCE TO THE CULTURE, MEDIA AND SPORT COMMITTEE – 19 NOVEMBER

During this evidence session, three points were raised where the Alliance feels further clarification may assist.

Alliance representation

The Tourism Alliance is inclusive in approach to tourism. However, it is an alliance of commercial sector bodies. Membership of these organisations is driven by a range of businesses: large, medium, small and even micro, that together invest in the quality and performance of tourism. It is these businesses that were asked initially during FMD, and subsequently after September 11, to support the government in its high profile campaign to rejuvenate tourism. They did so with sums in excess of £10m in both cash and kind.

It is now these businesses that will be asked by Government to invest, again through matched funding, in the marketing and further promotion of tourism. Indeed, its new approach to the marketing and promotion of England is predicated on such a partnership. As such, the Alliance provides the forum where the representative bodies of the industry's commercial members can come together to discuss such matters.

A Cabinet Level Minister

The Committee pointed out that in England we do already have a Secretary of State is responsible for tourism, and as such, there is a representative of tourism at the Cabinet table. The Committee further asked the evidence team to cite one country that has a minister solely dedicated to tourism. Israel and Turkey are two such examples of countries with a dedicated tourism minister.

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Our over-riding point is that given the economic value of tourism and its importance to the underpinning of so many communities – both urban and rural – we consider that the Minister for Tourism should be directly accountable to the Prime Minister and the Cabinet. Only in this way, will all relevant Departments understand their role in ensuring the effective delivery of tourism – be it for example, transport, rural affairs, skill and training, food standards to name but a few.

Regulation

Public safety is paramount. The concern for many tourism businesses is the cumulative burden of regulation. The Better Regulation Task Force in its report *Alternatives to State Regulation* (April, 2000) noted: ‘No solution will eradicate all risk, and we have found no evidence that indicates that state regulation is necessarily more effective than alternative arrangements at reducing risk’.

Such an approach, we contend, does have a role to play in some parts of the framework for the safe delivery of tourism. We here cite two examples.

The importance of food safety is unquestionable, but we do question for example, whether the proposal to label menus in restaurants to the ‘enth’ degree of minutiae regarding genetically modified products is a) achievable in practice and b) were it to be achievable, whether it would engender any greater public protection or confidence. The internationalisation of food sourcing and production simply opens the way to unnecessary burdens and indeed to another avenue of fire in our increasingly litigious society. The regulations on menu descriptions of GM foods should be abolished.

Another issue is that of Ofgem’s decision on the resale of electricity. Any regulation should be fair, transparent and protect the consumer. From 2003, the resale of electricity will change. The holiday parks sector accounts for in excess of one quarter of the UK’s holiday tourism and an annual spend of some £2.35bn. As such it is a key component in the profile of domestic tourism. The provision of electricity is expected in all parks.

Under the current system Ofgem publishes unit rates and daily availability charges; the details are available to both the consumer and the business operator. No business can resell electricity to domestic customers above these rates.

From 1 January 2003, Ofgem will operate the ‘pass-through principle regarding the resale of electricity. This means that the rate charged to the consumer will be the same as that paid to the electricity supplier. To achieve this, the park owner is required to undertake apportionment and averaging calculations in order to establish the unit rate to be charged. Ofgem has also altered the charging structure for installation, maintenance and other administration charges regarding the electricity infrastructure.

The new process will remove transparency and create the potential for the unscrupulous to obfuscate charges in a bid to dupe the consumer. Again, this is unwelcome regulation that will serve neither the myriad of responsible SMEs in the sector nor the consumer to best effect.

If, on behalf of the Alliance, I can be of any further assistance, please let me know.

Yours sincerely

A handwritten signature in black ink, reading "June-Alison Sealy". The signature is written in a cursive, flowing style with a large initial 'J' and 'A'.

Dr June-Alison Sealy
Secretary to the Alliance

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