

12<sup>th</sup> May 2017

Dear Deputy Johnson

### **Visit Jersey response to the review of solid and liquid waste charge for non-householders**

Thank you for your 28th April letter inviting Visit Jersey to make a written submission by 15<sup>th</sup> May. Visit Jersey is an arm's length agency of the States of Jersey government. One of our key objectives is to advise government and industry on tourism issues, particularly those affecting our competitiveness.

The visitor economy contributes 8.3% Gross Value Added (GVA) and 12.6% of employment to Jersey (The Economic Contribution of Tourism to Jersey, May 2017). 692,000 visitors were welcomed to Jersey in 2016, of which 356,000 were staying leisure visitors. This was the third year of growth in staying leisure visitors. The tourism sector could be characterised as slowly recovering after the recession and previous years of decline. Travel industry businesses are working jointly with Visit Jersey with a renewed focus to firmly put Jersey back as a great holiday destination throughout the year.

Tourism is a global business which is characterised by very high levels of competition. Higher costs will impact on Jersey tourism businesses' competitiveness.

#### Rationale

We fully support the principle of investing in a modern infrastructure for the treatment of waste. This brings benefits to islanders and visitors alike. The charge, as proposed will fall solely on the commercial sector. The household sector is free of any contribution. From a fairness perspective, this appears unjust.

An island-wide application for both domestic and commercial users would be equitable, promote water conservation and support improved waste management. We make no comment on the political challenge this entails.

#### Type of Business

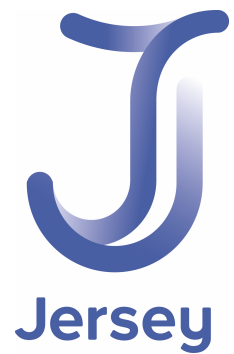
Businesses are not all equal with regards to waste treatment. Hospitality and tourism businesses might suffer more than, say a business in an office block. The very nature of hospitality operations such as running a hotel or restaurant suggests more waste is generated than office-based businesses. The beachside café serving coffee for customers to take away is not generating waste. Hospitality businesses will experience a bigger impact leading to a rising cost base. Attractions may use water for their grounds and this could not be considered waste. But it will increase their waste costs.

#### Method of Calculating Charges

The proposal is based on the business user paying for the waste they generate. This cost is not calculated on waste produced but on a 95 percentage of water consumed. An Annual Standard Charge plus Volumetric Charge of (£2.27/m<sup>3</sup>) is proposed. Visit Jersey has no competence in this area but would suggest a representative range of UK local authority charging be made public to reassure individuals and businesses that the proposed charge is fair. We understand the principle of percentage of water consumed

Visit Jersey, Second Floor, Tradewind House, 22 Esplanade, St. Helier, Jersey, JE2 3QA

**T:** +44 (0) 1534 849761 **E:** hello@visitjersey.je **W:** www.jersey.com



charging is administratively simple, but have reservations that this unfairly impacts on hospitality businesses.

#### Other thoughts

- Is government considering a timeframe for the introduction of household charges or public consultation? If, as a society, we wish to preserve our environmental credentials then efforts to encourage all to reduce, reuse and recycle water and waste would seem critical.
- Jersey's tourism and hospitality sector is comprised of many small and medium sized businesses. A comprehensive communication programme will be helpful to ensure business owners, many family run businesses, are fully up to speed about the tax and supported to improve their waste management.
- The proposals appear to focus on the "stick" with little "carrot" on offer. There does not appear to be any incentives to encourage good waste behaviour. What have other jurisdictions implemented to improve the management of waste; for instance, grants to upgrade facilities?
- There are over 80 Airbnb type accommodation providers in Jersey who offer short rentals to visitors in, typically domestic dwellings. Will waste be treated as domestic or commercial and on what calculation? This is a question of fairness between Airbnb type properties and hotel and guest houses.
- Finally, may I reference the "law of unintended consequences" by which the mechanism for charging may discourage businesses from prioritising issues such as hygiene (if behaviours edge towards not using water due to the cost that this incurs).

#### Conclusion

Visit Jersey understands and supports the environmental need to fund and improve waste management. However, we are concerned that the tax burden will fall disproportionately on tourism businesses and this may well negatively impact on their competitiveness. Further, we consider more weight could be given to incentivizing reduce, reuse and recycle of waste.

Yours sincerely

Keith Beecham.  
CEO Visit Jersey