

The Jersey Chamber of Commerce

Chamber House, 25 Pier Road, St Helier
Jersey, Channel Islands, JE2 4XW

Tel: 01534 724536

E-mail: admin@jerseychamber.com

Website: www.jerseychamber.com



Deputy D. Johnson
Chairman, Environment and Housing Infrastructure Scrutiny Panel
Morier House
Halkett Place
St Helier
JE1 1DD

Monday 15th May 2017

Dear Deputy Johnson,

I would first of all like to thank you for reaching out to the Jersey Chamber of Commerce in requesting us to supply your scrutiny committee with feedback from our organisation regarding the Waste Tax.

I am sure you will be aware of the lobbying efforts being carried out by the Jersey Chamber of Commerce, to encourage government to think twice about introducing such a tax. A tax that will unquestionably have a negative impact on every single business in the island, if later this year, the States agree to introduce the Waste Charge / Tax.

For some businesses, this new Liquid Waste Tax will mean overnight additional charges of tens of thousands of pounds. It is unrealistic to think businesses will simply be able to absorb such a tax and nor is it realistic to think these costs can simply be passed on to the consumer, especially if Jersey is to remain a destination of choice in a highly competitive global tourism industry. A tax such as this, will no doubt result in the closure of businesses, especially those in the hospitality and tourism sectors.

For an already fragile and recovering sector of the economy, the immediate and far-reaching impact of this new Tax should not be underestimated.

- There is a very real threat hotels will close out of season, or entirely
- Jobs will be lost
- Unemployment will rise
- ITIS & Social Security contributions will be diminished
- Local food producers will see a fall in demand, as organisations may look to import pre-washed produce

It must be stated that Chamber, (as well as being deeply concerned that businesses will close entirely, or for part of the year, as a direct result of this tax), are equally worried about the lack of impact assessments or thorough research, which has clearly not been carried out by government, the Department for Infrastructure (DfI) or Council of Ministers, ahead of proposing and introducing this tax.

Considerations, have not been given to the following issues: (this list is by no means exhaustive)

- How will companies be charged the Liquid Waste Tax, for home workers?
- How will companies be charged the Liquid Waste Tax, when they are not on mains water?
- How will companies be charged the Liquid Waste Tax, when they carry out their service at a private residence, such as dog washers, cleaners etc.?
- How will individuals be charged the Liquid Waste Tax, when they rent out their homes through rental schemes such as Airbnb?

No business would propose or implement an almost overnight 100% price increase (such as the 95% tax rate for the treatment of liquid waste), without having carried out the necessary research as to how this would affect their customers. Any organisation operating in this way would likely see customers cancel their service with immediate effect and look elsewhere.

Unfortunately, businesses do not have the luxury of choice, where government taxes are concerned.

In terms of your scrutiny review of this Waste Tax, we would strongly urge your terms of reference and scope to include the following areas of research:

- Your review must assess both liquid and solid waste charges
- An assessment of comparative jurisdictional liquid and solid waste charges
- Thoroughly researched impact assessment on the business community
- Thoroughly researched impact assessment on the island-wide community, such as fly-tipping
- A thorough understanding of how this tax will impact the Visit Jersey tourism targets
- Economic impact review of unforeseen far-reaching negative effects of this tax – such as the knock-on effect in a reduction of bed space and in turn a potential reduction in flights

As I have previously mentioned, no business would consider introducing new charges, especially not at a 95% rate, had they not carried out thorough impact assessments of how this could affect their organisation. It is therefore, not acceptable for government to propose and implement legislation in this way. A government that acts first and thinks later, does so at the peril of its business and social community.

The Chamber of Commerce would strongly urge all States members to reject this new Waste Tax for the sake of supporting commerce and protecting jobs.

Yours Sincerely,



Eliot Lincoln.
President, Jersey Chamber of Commerce.