

STATES OF JERSEY
Environment Scrutiny Panel
Waste Plant Review

THURSDAY, 12th JUNE 2008

Panel:

Deputy R.C. Duhamel of St. Saviour (Chairman)
Connétable K.A. Le Brun of St. Mary
Connétable A.S. Crowcroft of St. Helier
Deputy P.V.F. Le Claire of St Helier
Deputy C.J. Scott Warren of St Saviour

Witnesses:

Mr. B. Kay-Mouat (Alderney Shipping)

Deputy R.C. Duhamel of St. Saviour (Chairman):

I will have to read out the Convening Notice for witnesses who are not States Members. It is important that you fully understand the conditions under which you are appearing at this hearing. The proceedings of the panel are covered by Parliamentary Privilege through Article 34 of the States of Jersey (Law) 2005 and the States of Jersey (Powers, Privileges and Immunities) (Scrutiny Panels, P.A.C. and P.P.C.) Jersey Regulations 2006. Witnesses are protected from being sued or prosecuted for anything said during hearings unless they say something that they know to be untrue. This protection is given to witnesses to ensure that they can speak freely and openly to the panel when giving evidence without fear of legal action although the immunity should obviously not be abused by making unsubstantiated statements about third parties who have no right of reply. The panel would like you to bear this in mind when answering questions. The proceedings are being recorded and transcriptions will be made available on the Scrutiny website. What we also tell our witnesses, private Members and members of the public is that if there is any comment that you would like to make in reply to any of the questions that you feel should be covered by allowing the panel to go into a confidential meeting then just nod your head, make your case and we can do that. That gives you an extra certainty that things that you might wish to tell us are kept private and confidential. So,

channel logistics. Where the Scrutiny Panel are coming from is that we consider that there is perhaps a potential for utilising any slack capacity in terms of the vessels that are coming to the Island in terms of being able to use that capacity to export recyclable materials to France and the U.K. (United Kingdom) or parts of Europe and by doing so there would be an opportunity, we think, to use the shipping links coming into the Island more effectively and give people an opportunity to make an income out of materials which would otherwise have to be burnt in an incinerator facility at an expense that has yet to be quantified as being economic or uneconomic. We have invited you and a number of other members of companies who do provide shipping opportunities and we would like to ask you some questions as to the viability of the proposition and the desirability in terms of your particular company and the potential for you to contribute towards the facilities should the Island take the decision to move in that direction. The first question I would like to ask is could you just give us a run-through as to the type of vessels and the capacity that you have for exporting recyclables in general terms?

Mr. B. Kay-Mouat (Alderney Shipping):

Basically, I am based in Guernsey. I work for the Alderney Shipping group of companies. We operate 3 of our own vessels. We charter in other vessels as and when we need them for specialist cargoes or for customers as they need them. We also deal with tankers so we can deal with liquids as well because obviously some of the materials you will be talking about will be liquid. We operate services from the U.K. and from Holland to Jersey as well as inter-Island. In addition to that we have done charters to other dedicated ports. We have dealt with recyclables. Historically we have got quite a strong tie with ... before my involvement with the company we used to take paper in bales direct to the Thames from Guernsey. We do all the recyclables off Alderney at the moment as a community project so what we do in Alderney is we do not charge. We bring everything in so we feel it is our role to take it off the Island. Obviously you would like that here, I should think. **[Laughter]** So we are actively involved with recycling. At the moment we take agricultural plastic off Jersey which goes to one of the ex-Eastern bloc countries. We are involved, like I said, with liquids. We do a reasonable amount of it already. It is not a new area to us. Like I said, we have got capacity on liner services which are regular runs which is what you touched on earlier, of going back empty because Jersey particularly does not

export huge amounts - they import more than they export. They can be taken either to the U.K. or to Holland.

Deputy R.C. Duhamel:

Can I just touch on a comment you made about not charging for all the recyclables? Would that be a similar provision put forward for Jersey bearing in mind we have substantially bigger quantities of materials in Jersey than Alderney?

Mr. B. Kay-Mouat:

It is a completely different situation. In Alderney we operate 2 services, one from the U.K. and one from Guernsey. We are the only shipping company. I think one of our competitors represents something like 97 per cent of the freight coming into Jersey so we could not say ... if we were in that position then we could look at it. We most probably handle about 2 per cent if that. It is possibly something you could discuss with one of our competitors.

Deputy R.C. Duhamel:

As a chartering business then obviously in terms of capacity propositions would be put to you and you would decide accordingly?

Mr. B. Kay-Mouat:

If you said you wanted us to handle ... if there were vast quantities, for instance. Are you talking about waste for disposal as well or just recyclables?

Deputy R.C. Duhamel:

No, it is mainly recyclables. One of the arguments that has been put by the department is that consideration should be given to perhaps the export of all materials, but it does not really make sense to be transporting wet food waste when there are better routes of treating those materials on-Island in kit or facilities that are better suited than shipping it at an expense elsewhere. We are looking principally at the recyclable materials first and foremost.

Mr. B. Kay-Mouat:

There are certain materials that you can recycle that you can also incinerate so where do you want to be with that? Do you want to go down the strictly green avenue and recycle everything you can or are there economic implications as well? Are you looking at a policy that says if you can recycle it you will do that full stop?

Deputy R.C. Duhamel:

That is certainly the experience that we will probably be advocating as part of the Environment Scrutiny Panel because other communities do appear to be suggesting that if you are going to have back-up energy from waste plant or thermal treatment plant then they are beginning to couple that with an endorsement of the greener principles and not just suggesting, as has been suggested by the department at the moment, that we burn as much as possible but taking elements out of the waste stream that are capable of being recycled or put back into further use. So we would advocate that path rather than just burn everything indiscriminately.

Deputy C.J. Scott Warren of St. Saviour:

Following on from that do you believe that Guernsey is more into shipping of goods to be recycled because of the fact that Guernsey does not have an incinerator? Can you see a link there?

Mr. B. Kay-Mouat:

The disparity between the 2 Islands at the moment is the public is actively encouraged to recycle in Guernsey by the tip fee. We have what is in effect a very high tip fee so that discourages it. It is within the interests of the producer of waste to reduce the amount of waste because otherwise he gets penalised by taking it to the tip whereas, if I understand it correctly, over here there is no gate fee at the incinerator. I know you do not like being compared with the other Island, but I am from Alderney so I should be all right. We have waste sorting facilities in Guernsey where they will take out as much as they can from the waste stream and it is cheaper to export it than it is to take it to the landfill and that includes products such as cardboard, plastics and glass. The local government, as far as I understand, also subsidise certain areas of recycling as well quite heavily.

Deputy P.V.F. Le Claire of St. Helier:

Can I ask some questions to drive us in another direction for a second for a second? You go to Holland. Is there any particular reason why you go to Holland and could you talk to us about the sorts of things that occur there in relation to charges, harbour dues and things like that?

Mr. B. Kay-Mouat:

The reason we have a shipping route to Holland - which has been in operation for, I think, in excess of 50 years - historically, it is because of agriculture and horticulture and also the amount of beer that both Islands consumed.

Deputy P.V.F. Le Claire:

We need to import more!

Mr. B. Kay-Mouat:

So, that is where -- and there was agricultural products; there was the bulbs, the flowers and a number of Dutch growers in both Islands, so that was the connection. So, that is why we operate from Holland. The harbour dues situation over here is slightly different because you charge a duty or a tax -- well, not a tax, a duty, on cargo as opposed to vessels. It is not totally unheard of, but it is unusual. They do have them in other ports, but it is quite high in both Islands, to be fair. So that there is that aspect, but as far as other charges you will have other charges for whether it be containers, trailers. I mean, we operate predominantly low, low services, which is lift on, lift off, so it is in containers, or it is in pallets.

Deputy R.C. Duhamel:

So, do the Jersey charges, in your view, act as a disincentive to export opportunities?

Mr. B. Kay-Mouat:

It is a charge which is made by the States of Jersey, so if the States of Jersey are handling the recycling, whether they see fit to charge it I think it is almost -- again it is one point, in effect. From the private sector point of view, yes, it will be a discouragement because if, for instance, I said I wanted to export oil I would have to pay a hard due for it, but if you as the States of Jersey said: "We want you to export

oil and we will not charge you the hard dues” then it helps. But then the Harbours wants some income.

Deputy R.C. Duhamel:

Well, we have been given some evidence of some companies who are just beginning to set up and with the oil prices going through the roof the talk now is of using the plastic materials, which are oil-based and re-cracking them to produce a synthetic diesel. Would those facilities be available through the refineries in Holland?

Mr. B. Kay-Mouat:

If it is not -- I mean, the Dutch are pretty forward-thinking. As I said, we are already shipping agricultural polythene that way through Rotterdam. I do not know if they have the technology at the moment but they would most probably be the type of people. But if not, deep sea containers going to the Far East are relatively competitively priced. We have clients who are looking at exporting plastics - mixed plastics - to the Far East.

Deputy R.C. Duhamel:

So, in your view, if shipping arrangements are going to be conducted through your company, would you be looking preferentially to going through Holland, rather than going to the U.K. and double-handling or going a southern route to St. Malo, through to France?

Mr. B. Kay-Mouat:

It depends on who the end-user would be and what the products are. For instance, I mean, if you wanted to send products to the Far East and you wanted to get maximum weight in containers you can get more weight in a container going through Holland than you can in the U.K. with the U.K. road legislation. You cannot put heavier containers on the roads but because we operate services to both destinations it would not ...

Deputy R.C. Duhamel:

So, you could pick and choose.

Mr. B. Kay-Mouat:

Yes. I mean, if for instance you said: “We want to ship our glass out” it might be nice to ship it out of containers because you can do 20 tonnes at a load, but it might make more economic sense to say: “We want to do a full ship” and send it to Spain direct.

Deputy R.C. Duhamel:

Yes. We have some evidence that that is beginning to happen in some of the U.K. recycling places. Rather than baling goods like paper, or whatever, they are going loose in containers.

Mr. B. Kay-Mouat:

The beauty of containers is if you are trying to back-fill rather than have a dedicated service, you can make use of the empty containers if it is a clean product. For instance, sometimes you can bale paper. You can actually bale waste. It is one of the ways they are looking at possibly getting rid of the waste is actually to bale it so that you can put it in clean containers, so we do not have the problem of contaminating(?) containers, so you have them going out full and coming back empty. There are those avenues that you could explore, yes.

Deputy R.C. Duhamel:

So, what would you perceive as being any of the difficulties or constraints in terms of an operation that was seeking to increase the amount of exported recyclable material filed?

Mr. B. Kay-Mouat:

The costs literally because, as I said, if someone is going to do it they have to have some sort of return whether they are given States funding, is one option, or whether the people producing it are paying for it, but as far as I can see what it boils down to is if you charge at your incinerator.

Deputy P.V.F. Le Claire:

Can I ask you one question before we maybe go into a private session whereby you can get into costs and talk to us confidentially? I do not know if you know, but in

terms of the land space available for your use on Jersey, do you know what you have and whether it is adequate, or where it is?

Mr. B. Kay-Mouat:

Where we are? We are on the end of the New North Quay. We are a port-a-cabin with 4 containers around us. We are in the process of having permission to build a 5,000 square foot warehouse.

Deputy P.V.F. Le Claire:

Where will that be?

Mr. B. Kay-Mouat:

On the New North Quay.

Deputy P.V.F. Le Claire:

On the New North Quay.

Mr. B. Kay-Mouat:

Yes. But our main business is shipping and road haulage.

Deputy P.V.F. Le Claire:

So, the added advantage I guess, because you are into that, is that you also have that end delivery route as well because of your understanding of road haulage and everything else. Before we get into specific questions, just generally, are the oil prices having an effect at the moment on you being able to predict what you are going to be doing?

Mr. B. Kay-Mouat:

Well, as we all know they just keep going up at the moment.

Deputy P.V.F. Le Claire:

Do you have a fuel surcharge?

Mr. B. Kay-Mouat:

We do from the operation out of Poole and from Oslo. There is a bunker adjustment factor, as they like to call it.

Deputy P.V.F. Le Claire:

If we go into Private for a second and we will maybe come back out again afterwards.

(In Camera Session)

Deputy P.V.F. Le Claire:

We are now back into the Public Session.

Deputy R.C. Duhamel:

In 2005 the States decided, as part of the Waste Management Strategy, that they would commit to the building of a recycling facility of some description down at La Collette with a view to using that facility for achieving greater value in terms of the bagging facilities or the scaling up potential of dealing with recyclable materials, so that was supposedly to be in place and up and running by the end of December 2006. Now, at the moment it does appear that facility, although was promised and the monies earmarked, has not been built and we find it a little bit strange that perhaps in order to achieve kind of economies of scale that the emphasis in terms of the policy is not being placed in that direction first to increase the ability of materials to be exported from the Island. The emphasis does appear to be in the opposite direction to be burning or wanting to burn everything first and then provide those recycling facilities at a later stage. Would you have any views on that particular issue?

Mr. B. Kay-Mouat:

Are you looking for someone to operate it?

Deputy R.C. Duhamel:

Well, yes, this was the point and the amendment that was put in was that a facility would be provided and the opportunity would be given to any independent third party supplier of recycling services, or shipping services, to operate through that particular site.

Mr. B. Kay-Mouat:

Right. Because we are in talks with a potential U.K. firm at the moment that we would be operating the shipping for them and they would be operating a reclamation type facility. So, from that point of view, yes, we would obviously like to be involved.

Connétable A.S. Crowcroft of St. Helier:

Is that in Alderney, or ...?

Mr. B. Kay-Mouat:

No, in Guernsey.

The Connétable of St. Helier:

In Guernsey.

Mr. B. Kay-Mouat:

Yes. Again, the incentive for someone taking their materials to La Collette to recycle it has to be either a pull or a push. That is the thing I see as being the key. Do they want to go there, or are you going to give them some sort of incentive to go there? Or are you going to tell them, if they take it to Bellozanne there is going to be some charge? I mean, that is the crunch to it, as far as I can see. I might be missing a point.

Deputy R.C. Duhamel:

The difficulty between the Islands is that in Jersey we have a covenant which specifically excludes the opportunity for the States to charge as a gate fee for materials that are going to Bellozanne and to buy out that covenant as of perpetuity would be extremely expensive.

Mr. B. Kay-Mouat:

The other thing which you can sometimes do, which some of the bigger organisations such as the financial institutes and some of the large garage groups do, is they have a policy that they want to know where things are going. So, if for instance they cannot trace where their oil is going, some bloke collects it in a van once a week and that is it and he pours it down the drain. Some of the U.K. firms say they want an audit trail.

Where does it go? How much of it is recycled and things like that which is starting to move into the Islands. We are looking at, for instance which I would rather it was not mentioned outside here, fluorescent tubes. I mean, they are very easy to get rid of and they disappear but it is not an environmentally friendly way of doing it. Some of the institutions are saying: "We would like to know where they go" and if we have to pay a couple of pounds a tube we will do that because it is environmental policy, but that does not necessarily affect the general public.

Deputy R.C. Duhamel:

So, do you see in the long term the industry waste recycling kind of specialising on individual elements of the waste stream, rather than just moving in the direction of lumping it all into one bag?

Mr. B. Kay-Mouat:

I would like to think they are. A lot of it depends on volumes because if you cannot get enough of the material together you are actually doing more damage. For instance, if you collect a pallet's worth of material you do not want to send it in a container to the U.K. in a truck up to the north of Scotland because you are doing more damage in that respect. For instance we used to ship out 800 tonne lots of waste oil from Guernsey. We used to bulk it up, but things have changed slightly so now we send it -- we bring a seagoing tanker down from the U.K. and take it back, but there is less of them around and what we do now is we send it on a liner service so it goes to a tank container. It is a 20 tonne tank.

Deputy P.V.F. Le Claire:

What are they doing in relation to their wastes arising in Alderney that they do not recycle?

Mr. B. Kay-Mouat:

The non-recyclable waste is being put into containers and shipped to Guernsey for landfill, I think, but the main reason for that happening was on the basis that Guernsey was going to build an incinerator.

Deputy P.V.F. Le Claire:

Are you doing that for them? Are you shipping there?

Mr. B. Kay-Mouat:

Yes. We charge for that though. So, there is an incentive in Alderney to increase the recycling because the recycling part of the shipping is free but the waste is not. So, it encourages in that respect.

Connétable K.A. Le Brun of St. Mary:

So, it is in a way a double charge because you charge to take it off Alderney and then it gets recharged again in Guernsey.

Mr. B. Kay-Mouat:

Yes, so they get charged a landfill charge.

The Connétable of St. Mary:

Yes, so that is an incentive. What would be the facility over here, from your point of view, even at the present time, shall we say; is there the facility that anybody could take down to you here bales, metal bales, paper bales and you would give a price?

Mr. B. Kay-Mouat:

Yes.

The Connétable of St. Mary:

That is the end of it?

Mr. B. Kay-Mouat:

Yes.

The Connétable of St. Mary:

So, therefore it would be for you to -- that is the cost per bale and per tonnage and that would be the end of it, as such.

Mr. B. Kay-Mouat:

Well, sometimes it is, from our point of view -- if it is a container -- if we give you a container rate it is in your interests to put as much as possible in it. So, sometimes it is quite good self-regulating. If we said: "We will give you a tonnage rate". Let us say plastic bottles for instance and we gave you a tonnage rate. You would just chuck them all in and, I mean, you could get 2 tons in a container, if that. If we gave you a container rate you might ...

The Connétable of St. Mary:

Even if it was baled?

Mr. B. Kay-Mouat:

No, but there would be no incentive to bale it if we just gave you a tonnage rate whereas if we gave you a container rate it would be in your interests to pack it in as hard as you could.

The Connétable of St. Mary:

So, at any given time is there a difference between tonnage and volume?

Mr. B. Kay-Mouat:

Yes, there is.

The Connétable of St. Mary:

There is?

Mr. B. Kay-Mouat:

Yes. For instance, if you were shipping a heavy product you might decide you wanted a tonnage rate whereas if it was volumetric, such as plastic bottles ...

Deputy P.V.F. Le Claire:

You would give a container rate.

Mr. B. Kay-Mouat:

Yes. I mean, if I gave you a tonnage rate on unbaled plastic bottles it would be horrific, just because they take up so much space.

The Connétable of St. Mary:

Well, that is right. So, therefore it would be far better to deal ...

Mr. B. Kay-Mouat:

That is why, when you asked about prices, if you said what you wanted to do we would try and work together.

Deputy R.C. Duhamel:

Have you been approached in the last couple of years by T.T.S. (Transport and Technical Services) with a view to stimulating the export capacity?

Mr. B. Kay-Mouat:

Over here?

Deputy R.C. Duhamel:

Yes.

Mr. B. Kay-Mouat:

I did have a meeting a few years ago and I cannot, to be truthful, remember who it was with. It was in the Planning Department offices, so I do not know which department is there. It was quite a few years ago. It was mainly to talk about the export of waste from the Island.

Deputy P.V.F. Le Claire:

Was it more than 2 years ago?

Mr. B. Kay-Mouat:

I would say yes.

Deputy R.C. Duhamel:

But nothing since?

Mr. B. Kay-Mouat:

No.

Deputy P.V.F. Le Claire:

How many sailings a day do you do? Are you from Jersey or Guernsey or ...?

Mr. B. Kay-Mouat:

We have 3 services a week into Jersey.

Deputy P.V.F. Le Claire:

Three a week into Jersey?

Mr. B. Kay-Mouat:

Yes; 2 are from Poole and one is from Rotterdam.

Deputy P.V.F. Le Claire:

What is the capacity that is available on the outgoing side of those ...

Mr. B. Kay-Mouat:

Well, I mean, the ships are quite small. We are looking at replacing them, but at the moment their dead weight is 900 tons. If it is for instance ...

Deputy P.V.F. Le Claire:

Completely empty.

Mr. B. Kay-Mouat:

Completely empty and you poured the stuff in, almost, in containers the capacity is they carry 24 containers and 12 half heights.

Deputy P.V.F. Le Claire:

The 24, are those the containers that have 18 ton? The big containers.

Mr. B. Kay-Mouat:

Well, it depends because, I mean, a 40 foot or 12 metre trailer, they are talking about 28 tons in those. You can put 28 tons in a 20 foot container as well. For instance, if it is crushed glass you will get up to weight in crushed glass in a 20 foot container.

Deputy P.V.F. Le Claire:

At the moment, just as an average, if you know, what kind of empty space do you have going out?

Mr. B. Kay-Mouat:

Well, we do not ship much out. We ship -- from Jersey we do a bit of scrap metal in containers.

Deputy P.V.F. Le Claire:

Not much though?

Mr. B. Kay-Mouat:

No.

Deputy P.V.F. Le Claire:

So, you practically have an empty ship going back.

Mr. B. Kay-Mouat:

Except it has containers.

Deputy P.V.F. Le Claire:

But you have the containers that could be filled.

Mr. B. Kay-Mouat:

With the right material, yes.

The Connétable of St. Mary:

When you say: "Right material", does that mean contaminants, or ... you know, is there any room for the recycled stuff? Is it all contaminated product?

Mr. B. Kay-Mouat:

No, but some materials do not lend themselves to being put in containers. Just from their physical handling. They would be better off on flats or platforms.

The Connétable of St. Mary:

No sort of tippage.

Deputy C.J. Scott Warren:

Is it possible for you to tell us what is coming into Jersey once a week from Rotterdam? Is it all food?

Mr. B. Kay-Mouat:

No. You still have some beer coming in.

Deputy C.J. Scott Warren:

Food and beer.

Mr. B. Kay-Mouat:

There is mainly cultural materials. There is specialist building materials. It is a variety of things; personal effects, stuff from the Far East, people who have -- you will get a container which has been loaded in Shanghai for instance and it will be emptied when it gets here.

Deputy P.V.F. Le Claire:

Is there an insurance factor? Is there an insurance cost issue that we need to bear in mind that you charge or you have to charge when you are doing recyclables?

Mr. B. Kay-Mouat:

I would not say there -- depending on what you have. I mean, if it has a reasonable value then you might want to insure it. The majority of recyclable materials does not. I mean, you are not doing much in the way of gold, I should not think. No, but there are things like -- which is a slight -- it is like an insurance. It is a thing called T.F.S., which is Transfrontier Shipment of Waste, which is when you ship something which is potentially a pollutant or hazardous to the U.K., or to a European state. You are

aware that you have to put up an insurance that if does not meet the criteria you have to bring it back. That is like a bond.

Deputy R.C. Duhamel:

But that is mainly for hazardous materials?

Mr. B. Kay-Mouat:

Hazardous, or stuff which could be a pollutant. For instance, if you have batteries, waste oils, they should be going under that.

Deputy P.V.F. Le Claire:

No passenger capacity at all?

Mr. B. Kay-Mouat:

Passengers? No, we try and avoid them.

Deputy P.V.F. Le Claire:

They are the ones that you do not like to ...

Mr. B. Kay-Mouat:

They go funny colours and things, you know!

The Connétable of St. Mary:

When you say that you leave from here 3 times a week, do you go directly from here or would there be a facility to do -- you know, do you do Jersey, Guernsey, Alderney, or Alderney, Jersey, Guernsey or such like, or would it be dependent upon the amount of volumes?

Mr. B. Kay-Mouat:

We can do. I mean, because we operate our own 3 ships we can send them in whatever direction we like.

The Connétable of St. Mary:

Would there be a variance in the costings then?

Mr. B. Kay-Mouat:

Yes, because if you are going to another port you will have port costs but, for instance, if you said you might not produce enough material to send a ship specifically to one place but you might want it to go to France, or to Le Havre or to Cherbourg we can put an extra call in with one of our ships.

Deputy P.V.F. Le Claire:

Is St. Malo too much in the other direction for you?

Mr. B. Kay-Mouat:

To be truthful you have other operators going in there.

Deputy P.V.F. Le Claire:

What about places like -- I guess your ships are too big for other destinations up until probably Le Havre or Cherbourg, are they?

Mr. B. Kay-Mouat:

Sorry?

Deputy P.V.F. Le Claire:

I mean, there is nowhere else around like Carterick(?) that you can go to?

Mr. B. Kay-Mouat:

We have been into places like DLS(?).

Deputy P.V.F. Le Claire:

Too small?

Mr. B. Kay-Mouat:

It depends on the regularity of service. In winter you might not want to send ships into these ports. I mean ...

Deputy P.V.F. Le Claire:

Why is that?

Mr. B. Kay-Mouat:

Just because of the approach to them.

Deputy P.V.F. Le Claire:

Because of the navigation system?

Mr. B. Kay-Mouat:

Yes. There are ports such as Cherbourg and Le Havre that have changed their ways in recent times. Historically they were -- it can bring a ship in and get charged the same rate as a cruise ship. They priced themselves out of the market because they could. Now they cannot so they are more competitive and the bigger ports actually have more facilities for handling the materials as well. I mean, if you go into Le Havre you can see an incinerator from one of the quays, if you were taking materials to an incinerator, for instance.

The Connétable of St. Mary:

They have an incinerator there?

Mr. B. Kay-Mouat:

Yes. With capacity.

The Connétable of St. Helier:

It would be a cheaper option than building one ourselves.

Mr. B. Kay-Mouat:

Well, I am actually on record saying that my personal opinion, and I will give it to you whether you like it or not, is that the Channel Islands should look at building or using one incinerator on the continent because land will be cheaper, build costs will be cheaper, running will be cheaper and it could handle the waste from both Islands.

The Connétable of St. Helier:

And we are not blighting our Islands with an incinerator.

Mr. B. Kay-Mouat:

Exactly, and also you are buying electricity from grants you can put into the electricity.

Deputy C.J. Scott Warren:

Do you know, with the Le Havre incinerator, what their situation is regarding recycling? I mean, how much of their waste is going directly into the incinerator? Do you know?

Mr. B. Kay-Mouat:

No, I do not know.

Deputy P.V.F. Le Claire:

Is it a private company?

Mr. B. Kay-Mouat:

Yes. I can find out for you, if you want.

Deputy P.V.F. Le Claire:

I mean, you made the suggestion that Jersey or the Channel Islands should buy their own, or make their own, but I mean if there is a facility there ...

Mr. B. Kay-Mouat:

No, no. I think they should not. I mean, in an ideal world you could either build your own in France, between the both Islands or better still ...

Deputy P.V.F. Le Claire:

No, you misunderstood me. I understand what you are saying. You are saying we should make one in France or buy one that is already up and running.

Mr. B. Kay-Mouat:

I mean, there are 2 options; either build your own in France, or use theirs.

Deputy P.V.F. Le Claire:

Or buy theirs.

Deputy C.J. Scott Warren:

How large is the Le Havre incinerator? Is it a large one?

Mr. B. Kay-Mouat:

It looked pretty big. I do not know. I can get you details on it.

Deputy P.V.F. Le Claire:

How much would it cost to buy it? That would be interesting.

Deputy R.C. Duhamel:

I think that, as an option, was looked at a number of years ago when we had the Vibert panel. Some of the shipping costs were seen to be, by the T.T.S. department, as being prohibitively expensive.

Deputy P.V.F. Le Claire:

It would be interesting to know what is happening at Le Havre anyway. It is an interesting concept that you have introduced because suddenly there is opportunities for intergovernmental co-operation, employment opportunities, also scaling costs in relation to initiatives for recycling and inward and outgoing trade passages etcetera. So, this notion that you do not have to build on Island that would also free up a lot of the issues about transboundary shipments as well and hazardous waste that might be a little bit less difficult to argue through if we were working in co-operation with the French government.

Deputy R.C. Duhamel:

It has been suggested as one of the alternative routes that perhaps the Island could invest in a refuse-derived fuel palletiser, or whatever they are called, and export to whatever facility of that particular material to be used as a fuel.

Mr. B. Kay-Mouat:

I mean, one of the things that we have touched on was trying not to have dedicated empties going one way. One of the things that was touched on with the waste is you bale it in such a way that you can put it in conventional containers.

Deputy P.V.F. Le Claire:

We do that now at La Collette.

The Connétable of St. Mary:

With your contacts and interests with Guernsey and what you have just mentioned, are there any thoughts that you know of from Guernsey utilising that at Le Havre? Because you do have good contacts within Guernsey. Is it a recommendation that might have been put to them?

Mr. B. Kay-Mouat:

Can this come off the record?

(In Camera Session)

Deputy P.V.F. Le Claire:

We will come back on the record now because I do not think we need to push you in that direction too much. You were kind enough to tell us just very briefly what the situation is. Is there anything else you think we should know in relation to your company, or future thoughts and directions of your company?

Mr. B. Kay-Mouat:

Our company, we are looking at building new ships for the services that we operate which will have a greater capacity. Obviously our operation over here is very small and has been for a number of years and if you go through the records I think you will find that we have tried expanding and have been -- how can I put it politely? We have found it difficult, but it is not because of a lack of will from our side. We have not been given the grounds to do what we want to do.

Deputy P.V.F. Le Claire:

In what way do you mean?

Mr. B. Kay-Mouat:

Well, for instance, we did have a warehouse but it was knocked down because it was seen to be unfit for purpose.

Deputy P.V.F. Le Claire:

They never gave you a replacement?

Mr. B. Kay-Mouat:

No, because they were against -- the warehouse we were given, or we leased, was used -- was approved by the Warehousing Association because we thought there might be a problem with it and then as soon as it was approved as being fit for purpose we were told we were going to be evicted and it was going to be knocked down on the basis that someone might build a hotel there and the hotel has not happened and apparently as soon as it was knocked down we were told it was never going to happen.

Deputy P.V.F. Le Claire:

So, do you feel then that the States of Jersey could do more, especially through people like the Harbours Department or Economic Development Department, diversifying the mix of shippers in Jersey by providing you with more warehouse facility, or replacement warehouse facility that you could lease and if so, what kind of space is it you are looking for and where?

Mr. B. Kay-Mouat:

Well, at the moment the Harbour Authority are helping.

Deputy P.V.F. Le Claire:

They are helping?

Mr. B. Kay-Mouat:

Yes. They have given us an undertaking that we will get a warehouse. It is a temporary warehouse, but it is ... in our books it is a substantial structure in that it is about 5,000 square feet.

Deputy P.V.F. Le Claire:

Whereabouts is it now?

Mr. B. Kay-Mouat:

On the end of the New North Quay.

Deputy P.V.F. Le Claire:

At the very end of it?

Mr. B. Kay-Mouat:

Yes.

Deputy P.V.F. Le Claire:

Not this end of it?

Mr. B. Kay-Mouat:

No, the seaward end.

Deputy P.V.F. Le Claire:

Okay.

Deputy R.C. Duhamel:

It has been stated by the department that the Island in any waste management strategy should not be over-reliant on shipping as a method of transportation. Bearing in mind that there is more than one operator in the route, would you have an opinion as to whether that is a sensible suggestion?

Mr. B. Kay-Mouat:

I think the fact that you are totally dependent on imports -- I mean, it is not a self-sufficient Island so you are happy to go to the shops to buy your food, which comes off Island, so I think that speaks for itself.

Deputy R.C. Duhamel:

So, we are already there.

Mr. B. Kay-Mouat:

Yes. I mean, you are totally dependent on the shipping companies, or airlines.

Deputy P.V.F. Le Claire:

The Constable has made his point in 2 previous hearings that we rely totally on ships for our food coming in, so why should we worry about anything going out on ships that are coming in daily anyway?

The Connétable of St. Mary:

Can I just ask a question on that point as well? The same question from your point of view and obviously there is a certain amount of spare capacity and I think right in the beginning you said that you do charge to come in and no charge to go out, as such. But there has to be a limit financially from your point of view, to that extent. Do you feel that there should be, or there could be a lower price out because of the empty containers and would that be negotiable at any stage? You have to be cost effective, irrespective of in or out.

Mr. B. Kay-Mouat:

There has to be -- I think there will have to be a cost but there is no reason why it cannot be a reduced cost for northbound cargo and if things were looked at such as your harbour dues, I mean, that is instantly about £8 a tonne off the cost. I mean, there can be incentives. For instance, at the moment you charge £8 a tonne. That goes on the tariff of the unit as well so it is £16 a tonne to put the container back on the ship. If you swallowed that as well then the shipping company starts to make a saving and so those savings can be passed on. I mean, if there is transparency of what the costs are.

The Connétable of St. Mary:

A bit further to that when you say about transfer of costings further on because as we know from time to time the monies on plastics and that can vary considerably up and down accordingly. Would you take that into account? So that if you knew you were shipping X amount per tonne to Holland and the price varied in that, would you vary

the price accordingly, or would you say: “Thanks a lot, guys, and put it in your back pocket”? If you know what I mean.

Mr. B. Kay-Mouat:

It depends what our role would be, because if we are just facilitating the movement of the goods we would not incur any benefit of the price variations. It would depend. I mean, if you, as local government, were for instance sorting it, baling it, exporting it, you would see where the fluctuations were and you would benefit when oil prices go up.

The Connétable of St. Mary:

What I was saying was at the final port, as it were, because you would take it from Jersey to Holland and therefore they would possibly pay you for it at the Holland end, or pay somebody at the Holland end, or would there be a value to it? Or is that incorporated in your actual cost to get it off the Island?

Mr. B. Kay-Mouat:

No. Not unless we were actively involved with the handling of the material because at the moment it would be whoever is presented to us for shipping. We would just act as the conduit for getting it from here to there.

Deputy P.V.F. Le Claire:

It is an interested thing because the owner of the goods that are being shipped would be us, but you are providing the cost of the shipping and I am just wondering whether or not when in the past they have asked and determined the cost of shipping, whether or not they have just asked you for your costs which have obviously had to factor in the £8 harbour dues per tonne and then when they represent those costs to us, even though they are making £8 per tonne on it, they are presenting us with the full cost. So, they are looking to present us with figures that really are not apples with apples and pears with pears. It is a very interesting situation.

The Connétable of St. Mary:

What I am thinking of is that you are saying that it is costing us so much to export it.

Mr. B. Kay-Mouat:

Yes.

The Connétable of St. Mary:

But then that is the cost. But there has not been proof of what the income is at the end product and there could be a certain ...

Mr. B. Kay-Mouat:

Some materials will have a value.

The Connétable of St. Mary:

All materials have a value, in a sense, yes, all materials have a value. The Chairman has always said, and the chap in France has always said on St. Malo, that there is no stage where money does not change hands. Now, it might be that paper you might only get £1 tonne, but on the other hand plastics you might get £101 a tonne, but there is always money that changes hands so everything has a cost and a value.

Deputy P.V.F. Le Claire:

But you are not looking to take our stuff away from us. You are just looking to ship it and we get the monies at the end of it. Is it possible, do you think, to help us from a clarity perspective, for you to give us, when you get a moment, the capacity that is available and the costs identifying clearly in a separate way what those would be in relation to what Jersey charges so that we can strip out the actual shipment charges. Then we can make our own calculations about what it is we ship and what value that is if we choose to ship it and also what we are charging ourselves which we are presenting to the taxpayers as a part of your cost.

Deputy R.C. Duhamel:

Yes, ballpark figures.

Mr. B. Kay-Mouat:

Like I said, some materials, if you can handle them in bulk might be a lot cheaper. For instance, at the moment exporting -- from Falmouth they are exporting glass from

Falmouth to Spain. You do not want to do it in a 20 foot container or a 12 metre trailer. You are going to do it in a ship.

Deputy R.C. Duhamel:

No, I think we were thinking along the lines of supposing we organised business in a way that said, for the sake of argument, there is 15,000 tons of paper available in the Island to be reprocessed in one shape or form. Look at the paper. What could you do on paper? It might be we did the same thing with the car scrap, the metal scrap, same type of thing, rather than saying there is so many tens of thousands of tons across the board and you do not know what it is you are going to get. I think it would give you an opportunity to probably be more competitive on the particular element in the waste stream rather than doing a general price to try and cover the ups and the downs.

Mr. B. Kay-Mouat:

Yes.

The Connétable of St. Mary:

Because the thing is, it could be all the paper you want to ship it to St. Malo. What is the cost to there? Then one can negotiate with the person who is doing all the recycling in St. Malo. We would negotiate -- when I say "we" it would be negotiated this end and you would just give a cost to say: "Well, this is what it would cost with respect of per tonnage to St. Malo."

Mr. B. Kay-Mouat:

I mean, one of the things that we did in the early days was we had a system where we would move materials to, for instance, a U.K. port and it would be collected so you would avoid any ...

Deputy R.C. Duhamel:

Yes, that is right.

Mr. B. Kay-Mouat:

Because the admin is as expensive as anything else and you say: "Right, we will put it on the quay in Poole, you collect it. It is yours. It is free."

Deputy P.V.F. Le Claire:

There is somebody in France in St. Malo that has been able to look to deal with this about what they do there and that is the sort of thing that we have been thinking, that perhaps if we can just get it on the dock in St. Malo, he turns up with his shipping -- he will turn up with his -- it will not even be his, it will be a third party haulage company, and they will just take it down to the paper mill.

Deputy R.C. Duhamel:

There appear to be anomalies at the moment. I mean, normally agricultural plastic is not big quantities by any means, but it is an element of somebody's business so we have gone from shipping it all the way to Scotland to the potential to ship it within a 50 mile radius of Jersey to France to shipping it to Holland. So, there are 3 different routes there and what is not coming across is whether or not the previous practice of shipping it through the department to Scotland did represent the most economic way of dealing with it. So, what we are getting at the moment is that that is the cost of dealing with it because the department have done it in that fashion, but the department do not operate as a commercial business would operate in terms of cutting costs or looking for greater profitability in how they deal with things. Okay. So, on that note if there is no further questions I would like to thank you very much for attending and being so open with us. Very good.

Mr. B. Kay-Mouat:

You do mention aggregates - just a last thing - on here between the Islands sharing costs. I do not think that -- personally I think it is a non-starter, purely on the fact that you will have ideas(?) in both Islands. I mean, you have various grinders over here and they have various in Guernsey. The information that you want about the operators of incinerators and things like that, where do I send it?

Deputy R.C. Duhamel:

Send it to me through the panel at the Environment Scrutiny Office.

Mr. B. Kay-Mouat:

Okay.

