

# STATES OF JERSEY



## **IMPORTATION OF WASTE FOR TREATMENT IN THE JERSEY ENERGY FROM WASTE PLANT (P.104/2018): AMENDMENT (P.104/2018 Amd.) – COMMENTS**

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**Presented to the States on 5th November 2018  
by the Minister for Infrastructure**

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**STATES GREFFE**

## COMMENTS

The Connétable of St. Helier proposes, in his amendment ([P.104/2018 Amd.](#)) to [P.104/2018](#), that any ‘surplus income’ received from the importation of waste be earmarked for some specific La Collette and St. Helier improvement projects, and other projects as determined by the Minister for the Environment.

Firstly, it is important to understand why there is unlikely to be much, if any, ‘surplus revenue’. The gate fee set for imported waste has been selected to be cost-recovery and reflects the costs of processing the waste, including the export of the ash and the costs of cleaning gas emissions to high standards.

The primary intention of developing the gate fee has been to present a fee that follows the ‘user-pays principle’, i.e. the cost of the service is matched by the gate fee in proportion to the quantity of waste being processed. The gate fee does not include a profit element, and as such, there is no ‘surplus revenue’.

It has been my Department’s intention to develop a gate fee that doesn’t take advantage of our neighbours by trying to generate excess profit from our Energy Recovery Facility (“ERF”) to try and generate excess profit from our neighbours. Historically, we have processed our own waste, and our ERF has been doing a great job. Alderney have approached us for some assistance, and I would hope that the Assembly will support my proposition to provide the service at a fair cost-recovery charge for doing so.

The projected total income from Alderney of £90,000 must be balanced against the costs of providing the service. The ERF receives some 38,250 tonnes of Parish waste each year. This figure goes up to 75,000 tonnes when private business waste is included.

It should be noted that the ERF has recently been independently evaluated by third party specialists and certificated by the Environmental Regulator as an efficient site, and the Plant is now defined as a ‘Recovery’ facility rather than a ‘Disposal’ facility. Growth, Housing and Environment (“GHE”) officers have worked hard to achieve this status for Jersey, and the change of name to the Energy Recovery Facility is a demonstration of this fact and seems entirely appropriate.

Once the principle of how the gate fee has been developed is understood, then it is straightforward to see why there will be little, if any, ‘surplus revenue’.

The next point that needs addressing is the Connétable of St. Helier’s proposal that any financial benefit arising from the importation of waste should be spent on some specific projects around the La Collette area, and other projects as determined by the Minister for the Environment.

The ERF was paid for by the Public of Jersey. In order to operate, the facility requires an annual budget of some £5 million – £6 million revenue and capital expenditure which is funded from general taxation. Against this expenditure requirement, and as the first source of ERF income, £90,000 only goes a small way to offsetting the costs. If or when there is any ‘surplus income’ arising from importation of waste, then the ‘surplus’ ideally should be used in the following order of need –

- (a) Offset £5 million – £6 million per annum running costs of Energy Recovery Facility.
- (b) Improve maintenance budget to the level required to carry out scheduled maintenance tasks to prolong the life of the facility.
- (c) Use to improve recycling rates and fund waste-related projects.
- (d) Return to States revenues for allocation to areas of priority in accordance with Financial Directions.

Some of the points raised in the Connétable's amendment are suitable ideas for environmental improvements when funding is made available. However, the funding for these specific items should not come at the expense of funding to the ERF as budgets are increasingly challenged. The projects of particular merit are –

- tree planting improvements on the eastern side of the Energy Recovery Facility, and
- improvements to La Collette Gardens and the wooded areas of South Hill.

A walkway and cycle-path has been opened recently between the La Collette industrial area and Havre des Pas; and while we would like to expand the leisure facilities in this area at La Collette, we are governed by the safety zones from the proximity of the fuel farm. In the future, it may be appropriate to open the area up further to the Public, but while the site remains an operational waste site with adjacent electricity plant and the fuel farm, we are restricted in the amount of people permitted in the area.

We support the application for funding for these areas, and are happy to discuss this with the Connétable, but this is not the right use of this particular 'user-pays' type of income that has been specifically set at a level just to offset the costs of processing.

The Connétable has made reference in particular to some of the tree planting that has been carried out on the bank to the east side of the ERF. In order to check the facts, this week, officers have been to inspect the trees and see where improvements could be made. As can be appreciated, these trees have been planted in challenging salt-spray conditions, and therefore growth has been slower than desired. It is difficult to say how many trees have survived from the original planting, but the overall effect that had originally been planned (i.e. groups of trees rather than one mass of trees) is now establishing well. The faster-growing trees in the lower, more sheltered areas are approximately 5 m. tall. It was never the intention to screen the building, but rather to soften the appearance of the mound by integrating it into the landscape.

I would be pleased to discuss this matter further with the Connétable of St. Helier. I am asking officers to review where planting can be improved, and to support this from other funding.

The proposed use of any 'surplus' income to be set aside for St. Helier misses the point of this user-pays charge, which is intended only to cover the cost of processing the waste.

It is noted that, as well as the Energy Recovery Facility, St. Helier also has the main Harbour and Port facilities, which will gain additional work as a result of this proposed import. A St. Helier-based business will likely be unloading the waste, and this will provide a new revenue-stream and work for local businesses. In addition to the extra work for St. Helier businesses, we also pay new parish rates for the ERF and La Collette activities. This is a new revenue-stream for the parish of St. Helier, which we are happy to contribute to as a cost of our activities.

Accordingly, the Minister for Infrastructure urges Members to reject this amendment concerning spending any 'surplus' income on specific projects, and rather to focus their attention on supporting the principle of waste importation, and allow my officers to use the income to offset expenditure requirements on the public purse.