

4.12 Deputy S.Y. Mézec of the Minister for Transport and Technical Services regarding a user-pays charge for waste disposal:

What details, if any, can the Minister give of the Government's plans to introduce a new user pays charge for waste disposal?

Deputy E.J. Noel (The Minister for Transport and Technical Services):

The Council of Ministers has agreed an ambitious programme of work for this term of office, which has been endorsed by this Assembly, to invest in our health and education services while also boosting the economy to create jobs and encourage new business. This investment will cost a significant amount and means modernisation changes across the whole of the public sector. We must have balanced budgets by 2019 and meet the demands of services. It is therefore necessary to review the way departments source their funding. As part of the £125 million difference in funding requirements by 2019, we have already announced a £35 million target consisting of savings from non-staff spending and funding from charges. Therefore, additional user pays charges for waste disposal do need to be seriously considered. Fairness is also important. I would like to refer Members back to my speech in November when I stated that I would like to investigate alternative income streams. For example, is it fair that through direct taxation the taxpayer funds 30,000 tonnes of commercial waste we receive at the Energy from Waste plant each year? This is currently estimated to cost the taxpayer some £3 million per annum. Just for me to clarify, a property developer can demolish a building and take all burnable waste from that development to the Energy from Waste plant for free. The taxpayer has to pick up the cost. For example, one tonne of plastic windows alone costs some £500 in chemicals and lime to process through the Energy from Waste plant. A waste charge would incentivise private companies to recycle as much as possible and provide additional local employment. I would also like to address the current unfairness in the liquid waste system for those of us that are connected to the mains drains versus those households who have to pay to have their septic tanks emptied. The department is only at the early stages of this review of waste charging and I would like to remind States Members that any new user pays charges for waste would require me to report a proposition back to this Assembly for approval.

4.12.1 Deputy S.Y. Mézec:

I was listening patiently to that answer and I have to say I thought the vast majority of it was irrelevant to what I was asking, which was about details of this new user pays charge. Could the Minister confirm whether he is simply unable to give any details whatsoever or, if he does know what form this user pays charge will take - who it will be charged to, potentially what rates and at what point - could he give us those details?

Deputy E.J. Noel:

I already answered that question in the last paragraph of my last answer and which I will repeat for Deputy Mézec. The department is only in the early stages of its review of waste charging and I would like to remind States Members that any new user pays charges for waste would have to come back to this Assembly for approval.

4.12.2 Deputy M. Tadier:

Does the Minister acknowledge that residential people, individuals, pay for their rubbish facilities for collection obviously via rates but more so by general taxation? If he has got an issue with companies receiving these services subsidised by the taxpayer, is it not simply an issue of making a way to get corporation tax out of companies so that they can contribute for the facilities that they use rather than coming up with user pay charges which may then be applied to residential users who are already paying their taxes?

Deputy E.J. Noel:

Islanders do pay for collection via their rate system but currently they pay for disposal by direct taxation. Therefore, you could have 2 similar dwellings paying the same amount of rates for their collection. One has a large family in it, one has a single person in it; they both will be paying the same amount of rates. They will be paying different taxes, but there is no incentive there for either to recycle and to be more efficient in the disposal of their waste. It is about trying to also do what is best for our local environment and the environment as the whole of our planet. This is about also helping to change behaviour.

4.12.3 Deputy M. Tadier:

If the real driver for this was to encourage more recycling and reduce waste rather than just a stealth tax, which some of us think this is, would we not see other evidence of the former in the sense that we would have an Island-wide recycling scheme and that we would have bins in St. Helier and throughout the Island where the public can separate their glass, their plastic and their paper in the street? We do not see that happening under this current Minister or the Council of Ministers.

Deputy E.J. Noel:

There are quite a number of points there. One of the main ones I would like to address is that there is no stealth in user pays charges. It is not about stealth; it is about user pays charges. With regards to recycling facilities, the examples that Deputy Tadier uses are currently there and, yes, we do need more.

4.12.4 The Connétable of St. John:

As the Constable of the Parish which I believe has the best record on recycling, can he confirm that we will have the lowest charges?

Deputy E.J. Noel:

Proposed charges for solid waste would be a gate fee at the Energy from Waste plant. If that applied to domestic waste as well as commercial waste then it would be up to the Parishes to decide whether or not they passed on that charge and, if they did, how they would do so.

4.12.5 Deputy J.A.N. Le Fondré:

It is really just to get the Minister to confirm one of his earlier statements he made in an answer that he does recognise that taxpayers do already pay for their waste to be treated?

Deputy E.J. Noel:

Yes, they do, and I refer back to my original answer to Deputy Mézec's question. We have a funding gap by 2019 of some £125 million. If we are going to prioritise health and education and the economy and growing jobs, *et cetera*, we need to fund our other services in a different way. The use of user pays charges, we have already identified, is one of the tools, the mechanisms that we are looking at to raise this additional revenue.

Deputy J.A.N. Le Fondré:

So it is a stealth tax then?

Deputy E.J. Noel:

No, there is nothing stealth about it.

Deputy J.A.N. Le Fondré:

Sorry, I will correct myself and apologise to the Minister. It is a tax then? [Laughter]

Deputy E.J. Noel:

Deputy Le Fondré and I are both chartered accountants. We are both Deputies from St. Lawrence. I agree with him, user pays charges are a form of tax but they are probably a fairer form of tax than a blanket rate in specific circumstances.

4.12.6 Deputy K.C. Lewis of St. Saviour:

As has already been said, these services are already paid for in general taxation. Can the Minister inform the Assembly when he is anticipating bringing in a refuse tax and indeed a sewerage tax? How far down the road are we and are we going to have car tax brought back, which is something else we are already paying for?

Deputy E.J. Noel:

I would envisage that, subject to the approval of this Assembly, charges for our waste, be they solid waste or liquid waste, would hopefully come into effect by the end of the next M.T.F.P.

4.12.7 Connétable A.S. Crowcroft of St. Helier:

I was going to say as the Constable of the Parish with the most comprehensive recycling services but I am not going to have a dispute. **[Approbation]** Instead I want to ask the Minister would he confirm, as it has not been raised yet, that there is currently in place a covenant, called the Bellozanne Covenant which prevents any charging for waste and this would need to be lifted before such a plan could be implemented?

Deputy E.J. Noel:

The Constable is indeed correct there, and I would like to congratulate him on his recycling facilities, which I visited a couple of weeks ago. They are worthy of praise. He is correct that for us to be able, as an Assembly, to bring in a user pays charge for those using our Energy from Waste plant we would have to lift what is known as the Bellozanne Covenant.

4.12.8 Deputy A.D. Lewis of St. Helier:

Would the Minister agree that this is all about changing behaviour? It is not just about charging; it is about changing behaviour. I helped introduce a scheme in one of the Parishes. I met with a number of other Constables, none of which went forward with a recycling scheme. Does the Minister agree that this type of charge would encourage some of those Parishes to seriously consider a recycling scheme if they do not have one already?

Deputy E.J. Noel:

I would agree with Deputy Andrew Lewis there, but it is about raising funds to pay for our facilities as well. It is not just about changing behaviour but changing behaviour is a big part of it. I would like to see more recycling done on the Island and this will enable it. Currently, it costs you nothing to take your waste to the Energy from Waste plant but it costs to recycle. If you have a gate fee then it makes recycling cost effective and that is what we would like to do.

4.12.9 Deputy G.P. Southern:

Would the Minister care to elucidate his statement that these sort of taxes can be made fair, fairer than income tax as a basis or not? What thinking has he given to making such charges fair?

Deputy E.J. Noel:

In terms of charging for liquid and for solid waste, user pays fees can be a fairer way of doing it if you are looking at a household-by-household instance. I gave the example you could have 2 identical houses paying the same amount of rates; one could be highly occupied, one could be lowly occupied. Surely it is fairer for their waste collection and disposal to be charged on a usage basis. To me, that is a fair way of doing it.

[11:00]

4.12.10 Deputy S.Y. Mézec:

I will attempt to help the Minister by pointing out I think what is meant by the term “stealth tax” is the fact that these sorts of user pays charges were not included in any of the election manifestos of the people who now comprise the Council of Ministers, not least of all him who did not have to produce an election manifesto at all. Could I ask the Minister then how much luck he believes he will have in trying to explain to the public that it is fairer to charge a user pays charge here when that will not be corresponded, presumably, with a reduction in income tax, so they will be paying more?

Deputy E.J. Noel:

Yes, Deputy Mézec has hit the nail on the head. Islanders will be paying more but they will be paying more for a better health service, they will be paying more for a better education service, they will be paying more for better support in our economy. That is why we are going to have a funding gap by 2019 of £125 million if we do not take corrective measures. We have already publicised that user pays charges will be part of our corrective measures.