

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. M. Payn (Condor Logistics)

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

Okay, so it is Mr. Payn from Condor Logistics. I have to read you the notice as a witness who is not a States Member. “It is important that you fully understand the conditions under which you appear at this hearing. The panel’s proceedings 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 and witnesses are protected from being sued or prosecuted for anything said during hearings unless they say something 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.” If indeed, Mr. Payne, there are items in terms of our questions that you think should remain confidential, we would be quite happy if you suggest we go into an in camera part of the session so that we can get your response.

Mr. M. Payn (Condor Logistics):

I would prefer that. Obviously some of the calculations I have are business sensitive.

Deputy R.C. Duhamel:

Okay, would that apply to the whole of the proceedings or ...?

Mr. M. Payn:

No, no, just on the cost. To be honest, I have only had 24 hours to prepare a full cost analysis which I have not achieved yet, for the simple reason there are questions I need to ask to achieve the final figures. Whether the panel can help with me those questions or not, I do not really know.

Deputy R.C. Duhamel:

All right, so welcome to this hearing. In or around April 2007, I think it was, I approached your company in relation to the potential as to whether there was an opportunity for the Island to export on the back of what happened to be spare capacity in terms of the shipping coming to the Island. The opportunity to send more recyclable materials for recycling to U.K. or France or Europe. You provided myself and the Scrutiny Panel with some details based on the payloads of 26 tonnes, 86.4 cubic metre capacity, and this was on an estimated export tonnage of some 30,000 tonnes per year. Expressly, with the intention to send out for further reprocessing, rubber, rubber tyres, fabric, tins, metal cans, plastic and anything that Island perhaps needed to export. You indicated at that time that there would be a notional charge to discharge the goods at Portsmouth of some (CONFIDENTIAL) I think it was, per unit and indeed you also gave us a price for taking materials through to France to Terminal du Naye and the price given was (CONFIDENTIAL) subject to an appraisal of the French Customs and Import requirements and/or taxes which we did not go into at that time. Since then the Transport and Technical Services Department have been maintaining that to export a larger quantity of materials for recycling from the Island is necessarily expensive and in fact the cost is, perhaps, prohibitively expensive. Indeed as part and parcel of their waste management strategy they are suggesting that the better way forward is to bung those materials in an incinerator facility. I think I would like to start by asking you to comment as to whether or not the opportunities for exporting these materials is still available with your company and, if indeed it is,

to perhaps give us some comment as to the motivation on behalf of the department for not --

Mr. M. Payn:

Based on a set of draft questions I was sent through yesterday, I will sort of whizz through those now, if I could. Initially when you approached me we were looking at an annual export total tonnage of about 30,000 tonnes. It was difficult to assess payloads because of the different material types so I used an average of 18 tonnes per trailer. We currently do export on behalf of Transport and Technical Services and other exporters and, as a rule of thumb, waste polythene mulch, which is the residue from the potato crop, the average payload is about 24 tonne. We do export woodchip on behalf of Transport and Technical Services, payload in or around 20 tonnes. Also there are electrical goods, televisions, P.C.s (personal computers), fridges, et cetera, and the average weight for those trailers is about 10 tonne. So you can see there is a variable depending on the type of the recycling going out. So basing a trailer payload of 18 tonne average I calculated it over a 12 month period, that would be 6 trailers a day, 6 days a week. We have 2 vessels in operation, one is a pure freight vessel, although it does take driver accompanied freight vehicles, and the other one is a Ro-Pax which is a mixture of both freight, cars and passengers. As we are talking about unknowns at the moment I have focused on the Goodwill in case there is any D.G.s (dangerous goods) that need to go out because basically she could accommodate that. We do have capacity on the Goodwill which operates ex-Jersey in the morning, 6 days a week, of up to 400 tonnes a day, 2,400 tonnes a week. So you could have a capacity annually for 120,000-odd tonnes, if required. So there is quite a bit of scope on the ship. Obviously to do that would mean we would have to gear up with equipment, whether we rent it in or we transfer it from our Guernsey operation to Jersey as a loop, if you like. So we can offer from Jersey to the U.K., 6 days a week with a capacity, if required, of 400 tonnes a day.

Deputy R.C. Duhamel:

Right. That is massive.

Mr. M. Payn:

The Goodwill again goes to St. Malo only once a week because that is the only requirement because of the volumes coming in from Europe once a week. She sails down on a Saturday morning, discharges, reloads and discharges in Jersey on a Sunday morning. I have put a capacity down of 15 trailers a week based on equipment that we could probably source from St. Malo. There is additional capacity again to 400-500 tonnes a week, if required.

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

Sorry, 4-5?

Mr. M. Payn:

Four to five hundred tonne a week, if required. But, again, we would have to gear up equipment to cope with that volume.

Deputy P.V.F. Le Claire:

So how much is that a year, sorry?

Mr. M. Payn:

One hundred and twenty thousand tonne.

Deputy P.V.F. Le Claire:

To France as well?

Mr. M. Payn:

Yes.

Deputy P.V.F. Le Claire:

So 120,000 to England and 120,000 to France?

Deputy R.C. Duhamel:

That is, in fact, more than we are producing.

Mr. M. Payn:

Yes, that is fine. It just gives you a view of what the capacity and availability is. Getting down to detail, it is strange that the E.U. (European Union) has not quite joined up. We have equipment, which is standard equipment in the U.K., to 4.5 metres tall. Depending where you need to deliver in Europe, their road bridges are lower than the U.K. so we are limited to 4.3 metres. Britain is not a problem with 4.5 metres, but depending where else you want to go in Europe, Belgium, Germany, Holland, Spain, we would have to be a little bit careful from a road transport point of view, route wise, whether we would need to bring trailers with lower height. It does not affect the payload but obviously it affects the bridges.

Deputy P.V.F. Le Claire:

If you were just to purely ship it to St. Malo and unload it on to the docks and leave it there for somebody else to take away, that is not going to affect your pricing either?

Mr. M. Payn:

It does because delivery in the U.K. or delivery in Europe is unknown. I cannot price that. The price I gave the Constable earlier last year was based on quay Jersey to quay Portsmouth or quay Jersey to quay St. Malo. If we go into detail again, collection from a plant in Jersey is unknown at the moment because we do not know whether it is going to be Bellozane or whether it will be La Collette, 13.6 metre trailers are classed out of date in Jersey. If we need to go to Bellozane we need to apply for a P30 permit under the Driver Vehicle Standards to which there is a cost of £76 and we have to deliver the trailer out of hours. If we go to La Collette, La Collette is part of the quay route network and we can go down there, provided we are sensible with rush hour traffic, any time of the day. So you have got a cost bearing on Bellozane which you do not have on La Collette. There is another way around, is there sufficient space at Bellozane for, let us say, 6 trailers, stand trailers? Which obviously you would do a drop and swap on. I do not know, I do not think so, bearing on what we do for them at the moment. The other alternative is to use smaller local vehicles to collect it, return it to the quay, tranship it into larger trailers for export. So there is another cost bearing there as well.

Deputy R.C. Duhamel:

In 2005 the States decided that they would support, as part of the Waste Management Strategy, the provision of a recycling centre and a bulking up facility down at La Collette, to be built by the end of December 2006. It has not happened as yet and some of the more cynical among us think that perhaps if it had have happened earlier then perhaps the quantum of recycled materials that would have been recycled would be much, much higher than it is at the moment.

Mr. M. Payn:

I think you are probably right. We do some business for a recycling agent down at Rue des Pres, ideally for him if he was based down at La Collette -- we cannot go down to Rue des Pres with a 13.6 metre trailer, which has a bearing on cost again.

Deputy R.C. Duhamel:

Do you think there is a matter of urgency then that the States should be putting into practice the decision it took in 2005?

Mr. M. Payn:

It would certainly help, I think, focus perhaps on more recycling.

Deputy R.C. Duhamel:

For scaling up and ...?

Mr. M. Payn:

Yes.

Deputy P.V.F. Le Claire:

Do you have any space down at La Collette at the moment?

Mr. M. Payn:

We do not operate at La Collette, we operate on the Elizabeth Harbour.

Deputy P.V.F. Le Claire:

Do you have any spare sort of space down there or is it all taken up? You have got --

Mr. M. Payn:

It is a bit of a bone of contention at the moment. In the peaks of Christmas, Easter and Mothering Sunday and also the potato season, no there is not any additional space down there, it is absolutely at saturation point, basically what has happened is you had residential housing just squeezing the port more and more and more. But no there is not.

Deputy P.V.F. Le Claire:

My first question, I do not know whether I really put it across properly was I am trying to understand if -- putting to one side the cost of Bellozane and putting to one side the cost of double handling, once it is on your ship and it goes to France, it is feasible you could just unload it and leave it on the quay and somebody else could step in and pick that up, or do you --

Mr. M. Payn:

Obviously you cannot just leave it on the quay, we have to take it off the quay to St. Malo's depot and then again the same thing would apply in Portsmouth. We could trunk the trailer from the quay to our depot in Portsea(?) which is about 3 miles outside the port, and a third party haulier could come in and then we would then transfer that on to their vehicle. So there are 2 options. Probably for you that would be the cheaper option, really.

Deputy R.C. Duhamel:

It would be, yes. So it looks as if, from what you are telling us, your company has the potential to transport all of the recycle materials potentially that the Island produces at an economic cost. In terms of the business, it would obviously dovetail with what you do in terms of the incoming materials in order to use your shipping more efficiently in the dovetail.

Mr. M. Payn:

Exactly. Exactly right.

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

Could I ask if you can give us any idea of what we are doing here compares with Guernsey regarding the shipping, northbound or southbound?

Mr. M. Payn:

Guernsey, I think, have always been a bit more proactive than Jersey on recyclable exports for the simple reason that they do not burn it, they bury it, and of course landfill now is becoming quite an important focus for them. I think they have only got about 5 or 6 year's life left. Yes, so there have been more. An awful lot of paper and cardboard, scrap cars going out whole and scrap metal. Yes, I think they probably are, or have been, more focused than Jersey.

Connétable K.A. Le Brun of St. Mary:

Earlier, right at the very beginning, you mentioned about possible contaminated or dangerous goods as such. Do any of the recycling products come under that category?

Mr. M. Payn:

Not currently. If you go down the route of batteries, as an example, which is a corrosive, that is classed as a D.G. Even old refrigerators and freezers, if they are vented properly that is fine, but there is also an unknown element so we class that as not a full D.G., if you like, but a potential D.G.

The Connétable of St. Mary:

So there would not be a restriction on the usage of your containers, is what I am saying?

Mr. M. Payn:

Rubber, tyres, fabric, tins, cans, plastic, no.

The Connétable of St. Mary:

Of any of those particular ones at all?

Mr. M. Payn:

No. Are we considering perishable waste as well?

Deputy R.C. Duhamel:

No, not necessarily. The alternative facilities that are being considered is possibly composting or anaerobic digestion for food materials so whatever would be being sent back would not be of a perishable nature.

Mr. M. Payn:

Yes, fine.

Deputy P.V.F. Le Claire:

Could I ask though, on that, because I think it is interesting, just to carry through the exercise, not that we would prefer as the Environment Scrutiny Panel to ship off our compost, but at the moment it is costing £800,000 to process 13,000 tonnes of compost (I do not know how great you are at thinking on your feet with maths, I am not good) what would be the cost of dealing with 13,000 tonnes of woody compost material: putting it on the trailer, putting it on the ship and taking it to a compost facility in France that might charge us? Do you have any idea what the tonnage would be or the cost for that would be?

Mr. M. Payn:

This is on the final product when it has been composted or raw material?

Deputy R.C. Duhamel:

I am not sure you would really want to do that because the whole point about perishable items or items that comply with the grade is that you tend to deal with those in situ rather than shipping them to some other facility. It is a moot point. If you scanned up on the costings that have been given we can do that exercise and I think the key element in the argument is the huge cost that has been borne by the department to deal with it in situ with the set-up they are using.

Deputy P.V.F. Le Claire:

It is not a sensible solution, but it is ...

Mr. M. Payn:

Is this the final soil improver you are talking about or more raw material?

Deputy P.V.F. Le Claire:

Yes.

Deputy R.C. Duhamel:

Yes, and if it were bagged or whatever then it poses ...

Mr. M. Payn:

It will not come back to you. It is feasible, but obviously you would need to work it out, say a tonne bag and 20 on a trailer.

Deputy P.V.F. Le Claire:

So talking about the fact that we are arguing the point that they have no spare application to land and there might be an issue there in the future, but do you think ...

Mr. M. Payn:

Out of interest, I did give Transport and Technical a rate quotation 18 months ago.

Deputy P.V.F. Le Claire:

To take the compost?

Mr. M. Payn:

Guernsey, inter-Island.

Deputy P.V.F. Le Claire:

For taking Guernsey's compost?

Mr. M. Payn:

No, shipping the soil improver from Jersey with the finished product in 25 kilogram bags to Guernsey. It never happened; I do not know why. I suppose it was not required there.

Deputy R.C. Duhamel:

Do you think that the Island, having got incineration, that the incinerator provides or is a disincentive to recycling?

Mr. M. Payn:

Exactly. It is easy, is it not? It is custom and practice, is it not? The Island has got used to all this burning. There has not been the focus on recycling I know Simon tried an exercise down at Harve Des Pas

Connétable A.S. Crowcroft of St. Helier:

It is still going.

Deputy P.V.F. Le Claire:

What about costs then? Should we give you a minute now to talk about costs?

Deputy R.C. Duhamel:

I think we have a cost schedule that was given by Mr. Payne to us last year and I think what we should ask is if we were to ask you are the figures within it currently acceptable or would there be a small uplift or whatever?

Mr. M. Payn:

There will be a small uplift. What we need to bear in mind, of course, is the cost of fuel now which is horrendous as far as our business is concerned. The price of crude oil has increased by 83.8 per cent to year end May. We have a fuel surcharge which we introduced last October which has increased twice up to this Monday. The difficulty is we do not know what crude prices or fuel prices are going to do over the next year or 18 months. We think we have an indication as to what is going to happen, bearing in mind what happened last weekend when it clipped up over 139 dollars a barrel. That is an unknown unfortunately, but we apply a fuel escalator policy. If it goes up, obviously the fuel surcharge will go up and based on an 8-week cycle if it goes down we reduce it down. That is an unknown for us as a business.

The Connétable of St. Mary:

Can I just come in here on a similar vein there? You have got spare capacity to take more, therefore if, for argument's sake, that capacity increased by an appreciable amount would it be negotiable for the cost per tonnage to come down?

Mr. M. Payn:

Yes, it is. Obviously, what I base costs on is on 30,000 tonnes and, therefore, the rate reflects that annual turnover.

The Connétable of St. Mary:

I will take into account naturally the cost of the fuel and such like, but could you say that if the capacity increased by 50 per cent there would be a variance of perhaps 10 per cent less or 15 per cent less?

Mr. M. Payn:

It would be negotiable.

The Connétable of St. Mary:

Yes, and not holding you to the figures, but it would be on that basis that it would be a certain amount?

Mr. M. Payn:

The problem I have got is I have not done a full cost analysis yet and we always cost on a per trailer rate. You will obviously want to narrow that down to a per tonne rate from a budgetary point of view, I presume?

Deputy R.C. Duhamel:

I do not know. I think possibly the better way forward would be to consider prices for every element of the waste stream because they do have different densities; they bulk up at different rates.

Mr. M. Payn:

Yes, obviously the more tonnage you can get in the trailer the lower the cost per tonne. Harbour dues is an additional, currently at £8 a tonne and normally we see a

review from Jersey Harbours annually of 2.5 per cent which I think is obviously the States policy to retain R.P.I. (Retail Price Index) at that level.

Deputy P.V.F. Le Claire:

What is the cost for harbour dues in France, do you know?

Mr. M. Payn:

None.

Deputy P.V.F. Le Claire:

None?

Mr. M. Payn:

U.K. none.

Deputy R.C. Duhamel:

We did have an issue which we put into our second review whereby we stated that as a way to stimulate exports from the Island in order to use the shipping capacity more effectively and efficiently that perhaps the Harbour should review its charging policies. In fact, we did have some evidence to suggest that they were not charging and there was a bit of contradiction in terms of what was being stated.

Mr. M. Payn:

The way it works in St. Malo and in Portsmouth is the Port Authorities charge a trailer due or so much per trailer, but that is all reflected in the cost of the shipping charge whereas in Jersey there is £8 a tonne harbour dues. Additionally Harbours charge a trailer due for the use of a link span, but that trailer due is included in the shipping charge so it is a double bubble, if you like.

Deputy P.V.F. Le Claire:

Putting aside the harbour dues, is their shipping charge the same as the France and U.K. shipping charge?

Mr. M. Payn:

It is cheaper.

Deputy P.V.F. Le Claire:

By how much? Do you have any idea? Is it significantly cheaper, is that why they charge?

Mr. M. Payn:

Sorry, the cost of shipping?

Deputy P.V.F. Le Claire:

Yes, is the Jersey trailer charge less than the U.K. factor? I am trying to understand. Putting aside the harbour dues you said ...

Mr. M. Payn:

I do not have those figures on me. I can get them.

Deputy P.V.F. Le Claire:

Do you understand what I am trying to get at?

Mr. M. Payn:

Yes.

(In Camera Session)

Deputy C.J. Scott Warren:

Can I just clarify, the 2 month's per annum that ...

Deputy P.V.F. Le Claire:

This is not private. That bit is not private, by the way. Can I ask you that again? Out of private, just so this is public, are you happy for that last exchange to be public?

Mr. M. Payn:

Would you prefer to see my correspondence first?

Deputy P.V.F. Le Claire:

Yes, that would be great.

Deputy R.C. Duhamel:

Yes, I think we would. That would be better, yes.

Deputy C.J. Scott Warren:

Can I ask you, the 2 month's per annum that Transport and Technical Services are using the trailers, what are they using the trailers for?

Mr. M. Payn:

It is purely for wood chipped material.

Deputy P.V.F. Le Claire:

Can I ask you, if there was an open tender today expressing the fact that they wish to have people to come forward to offer recycling opportunities would your company be interested and capable of conducting that?

Mr. M. Payn:

Yes.

Deputy P.V.F. Le Claire:

Thank you.

Mr. M. Payn:

Synergies with Guernsey. My view is that if there were multi-products or recyclables i.e. let us say a mixed trailer of 6 rubber, 6 fabric, 6 glass and Jersey had the same sort of mix, then if a trailer from Guernsey and a trailer from Jersey met at either Portsmouth Quay or St. Malo, there probably is a synergy there if it was going to be collected or delivered whereby you would take out 6 pallets of clothing from Jersey and Guernsey and married them up as a load for delivery. I do not really see any synergies trying to build up a trailer in the inter-island move because there is a cost factor to that. That is my only suggestion as far as synergies from the Island is

concerned. We did give Guernsey a rate to ship down their waste materials to Jersey to be incinerated here, but it never went any further.

The Connétable of St. Mary:

Where does the loop start? Jersey-Guernsey or Guernsey-Jersey?

Mr. M. Payn:

What happens is, apart from occasional tidal conditions, both our ships start at Portsmouth, into Guernsey, then Jersey and back to Portsmouth.

The Connétable of St. Mary:

If it was to the French connection, the St. Malo connection, would that be very similar?

Mr. M. Payn:

St. Malo is once a week on a Saturday morning with the ship returning to us on a Sunday morning for discharge.

The Connétable of St. Mary:

Yes, but what is the loop in that sense? When you say it is a one sailing does it come to Jersey-Guernsey-St. Malo?

Mr. M. Payn:

Yes, the same thing applies. It is Portsmouth departure.

The Connétable of St. Mary:

No, no, St. Malo.

Mr. M. Payn:

Portsmouth overnight on a Friday night, into Guernsey on Saturday morning, Jersey on Saturday morning and then to St. Malo on Saturday lunch time coming back into Jersey on a Sunday.

The Connétable of St. Mary:

I see, so it would be Guernsey-Jersey or something like that?

Mr. M. Payn:

Yes, it always covers that loop.

The Connétable of St. Mary:

So, therefore, is the cost per tonnage from Guernsey to St. Malo or Jersey to St. Malo the same?

Mr. M. Payn:

Yes.

The Connétable of St. Mary:

It is the same?

Mr. M. Payn:

Yes.

The Connétable of St. Mary:

Although Jersey-St. Malo ...

Mr. M. Payn:

Although it is a Jersey port of call.

The Connétable of St. Mary:

Yes, so it would be the same. So, therefore, if you did that overall there would be less, of course, than what it is at the moment because you would have all the bulk as well. Are you taking anything from Guernsey to St. Malo?

Mr. M. Payn:

I think probably about 4 loads of cardboard a year.

Deputy P.V.F. Le Claire:

Can I ask this, because it is interesting that you were asked by somebody - Guernsey or Jersey - to do the costings from Guernsey to Jersey's incinerator recently?

Mr. M. Payn:

No, about 2 year's ago.

Deputy P.V.F. Le Claire:

About 2 year's ago? What were the materials that made up ...

Mr. M. Payn:

It was household waste. It was not recyclables.

Deputy P.V.F. Le Claire:

Food wastes?

Mr. M. Payn:

Yes, they were going to put in a plant in Guernsey that would compact their waste material into sausages.

Deputy P.V.F. Le Claire:

So they put food waste and ... they make a little sausage of waste and send it over?

Mr. M. Payn:

Yes.

Deputy P.V.F. Le Claire:

So it is possible for you to ship food waste within the Channel Islands in sausages, containers et cetera to be treated ...

Mr. M. Payn:

We were going to use tipping trailers. We were going to rent in sufficient units for an inter island service daily.

Deputy P.V.F. Le Claire:

That was acceptable to both Islands, that that was going to occur?

Mr. M. Payn:

Yes.

Deputy P.V.F. Le Claire:

So the shipping of food waste et cetera from island to island and all the rest of it was fine? Would it be possible to do that kind of stuff to France if we wanted?

Mr. M. Payn:

I do not know. You would have to look at, and I have not done any research on it, E.U. Regulation CEE259/33 (European Union). I do not know what the implications are. I know being non-E.U. I presume we have to get dispensation.

Deputy R.C. Duhamel:

No, I think we went into that with the previous review and I think providing you have other E.U. countries who are co-signatories to the agreement then any agreement is capable providing the original paperwork or the necessary document is in place.

Mr. M. Payn:

The feedback I had from Guernsey a couple of years back was that because we were non-E.U. we had to prove to the member country that we wanted to export the waste to that we did not have a capacity to dispose of our own waste or recyclables. Whether that is still the case, I do not know.

Deputy R.C. Duhamel:

I am not sure it was the case and I think it was put forward as an argument to discourage a move in that direction.

Mr. M. Payn:

Has research been done on the capability of shipping to the U.K.?

Deputy R.C. Duhamel:

I think it is possibly a bit of a red herring because I am pretty sure that the Island would not necessarily be wishing to export any of its wet biodegradable materials to the E.U. or to the U.K. There are other plants that could ...

Mr. M. Payn:

So, really, it is household waste that will be the issue?

Deputy P.V.F. Le Claire:

It is just that they are not prepared at the moment.

Deputy R.C. Duhamel:

The key thing here is that in any shipping of any material providing some segregation is being done in order to change it from the designation of being a household waste unsorted into a particular material component like wood or plastic or cardboard or paper, then there is free trade and there is the ability to transport those materials with a minimum of fuss.

Mr. M. Payn:

I see.

Deputy P.V.F. Le Claire:

It is just that at the moment they are telling us that they cannot dispose of food waste in any other way other than burning it and there is an argument about how you can treat food waste in anaerobic digesters or invest in composting facilities which they dismiss as impractical. Yet is also nice to know that it is not just an argument between one or the other because there is still 2 year's of history, that there was an indication from both Islands that they were happy for food waste to be shipped from one across the water. It is possible to ship from one Channel Island to another Channel Island if that Channel Island does not have the capacity. If both Channel Islands did not have the capacity surely the member state would be willing to accept it? It seems that they are driving at this to be the reason for the incinerator rather than looking at the alternatives which are either side of the incinerator which is treated it in a different way or ship it. They are crossing both of those off.

Deputy R.C. Duhamel:

The key consideration in all of this is the designation of the material either as a waste material or as a resource for further recycling. There is a huge difference.

The Connétable of St. Mary:

Could I just change the questions just slightly and come into the scrap metal and cars and such like? Do you export at the moment? Is it you that does that?

Mr. M. Payn:

We do ship out scrap metal.

The Connétable of St. Mary:

To?

Mr. M. Payn:

France in particular. It is mainly non-ferrous like copper and brass and aluminium.

The Connétable of St. Mary:

St. Malo?

Mr. M. Payn:

Yes.

The Connétable of St. Mary:

But you do not export complete cars?

Mr. M. Payn:

No.

The Connétable of St. Mary:

It is all broken down in that sense?

Mr. M. Payn:

Yes.

The Connétable of St. Mary:

Is that on a regular basis?

Mr. M. Payn:

I think it is probably 2 containers a month, not a huge amount.

The Connétable of St. Mary:

It is not a huge amount. So, therefore, if it is not a huge amount and there is the amount of cars that are ...

Mr. M. Payn:

No, this is not cars. This is copper and brass and aluminium.

The Connétable of St. Mary:

Yes, but some of it would ...

Mr. M. Payn:

It has got value.

The Connétable of St. Mary:

Some of it would come from the cars.

Mr. M. Payn:

Possibly.

The Connétable of St. Mary:

Okay, so where does all the scrap metal, all the cars ...

Mr. M. Payn:

There is normally a scrap boat that comes in. I think it is about 3 times a year and the steel and scrap metal is transported from Bellozanne to the charter boat, if you like.

The Connétable of St. Mary:

Whose scrap boat is it?

Mr. M. Payn:

It is a charter ship that comes in.

The Connétable of St. Mary:

By Transport and Technical?

Mr. M. Payn:

I am not sure if is them or if it is the scrap yard that arranges the charter through a local agent.

Deputy P.V.F. Le Claire:

I have seen them dropping it in at the harbour.

Deputy C.J. Scott Warren:

How does that compare with scrap metal from Guernsey being sent to France?

Mr. M. Payn:

Scrap metal from Guernsey goes out on a regular basis in containers. That is a good point, yes, and that is mainly to the U.K.

Deputy P.V.F. Le Claire:

Do the Transport and Technical Services Department keep in touch with you on a regular basis about costs and shipping and things like that?

Mr. M. Payn:

We normally quote them once a year if there is going to be a freight review and there is communication when they require us for recyclables like wood chip and also the electricals.

The Connétable of St. Helier:

Can you envisage a scenario in which the Island had a materials recycling facility, such as we have seen in Cardiff, where all of the fractions are baled up and then the

best market is sought for them and they are exported? You have clearly got the capacity for that because you said you have. The kitchen waste and green waste can be dealt with investor composting as is happening around the world and the remaining bit could be treated in a much smaller facility.

Mr. M. Payn:

Yes, it is possible.

The Connétable of St. Helier:

That seems quite feasible to you in terms of ...

Mr. M. Payn:

Is there going to be a push, do you think, Constable, on people's attitude to recycling over here either from separation or from additional collections?

The Connétable of St. Helier:

Yes, if our waste was going into Amerf(?) to be recycled and baled and there was a cost in getting rid of that and getting rid of any other bits that we could not deal with because we do not have landfill, then it would certainly be a powerful incentive to people to look at how much waste they generate, how much waste they buy in the first place.

Mr. M. Payn:

Are you looking at possibly becoming cost neutral? Obviously there is a value to the recyclable product, is there not, but I know that can vary. I think cardboard and paper are variable whereby depending on what the market conditions are at the time.

The Connétable of St. Helier:

What I am really driving at is one side of the argument is saying that we absolutely have to have an incinerator because we cannot leave ourselves open to a situation where we cannot get rid of our waste, but what appears to be the case is that we are entirely dependent on sea routes for importing our food. We are totally dependent on sea travel for food, there is no reason why we should not to be dependent on sea travel

for exporting our recyclables. It is no worse a situation to be in than being dependent on --

Mr. M. Payn:

No, exactly right. Of course, you have got regularity as well. You do not have to wait until you have got X amount of time to get over there. You can do it on a daily basis.

The Connétable of St. Mary:

Can I ask, overall is the cost per tonnage the same irrespective of what the product is? Does the food come in at a cheaper price because it is food and a necessity for the Island? Is there a great variation? Is there negotiation done between the import of food products and suchlike, and animal food products, or is it all basically the same amount per tonne?

Mr. M. Payn:

No, we look at it from a market sector point of view that if you have got low margin traffic obviously from a rate point of view then you have to be competitive, but there is always a premium on temperature controlled foods for the simple reason they have to be transported in refrigerated trailers which in turn are more expensive (a) to buy or purchase and (b) to operate.

The Connétable of St. Mary:

Yes, I can understand that. What I was trying to think of is there is X amount of tonnage that comes into the Island obviously from food and a lot of other products and, therefore, as you say you have got capacity to go back out of the Island. Do you have containers that, therefore, go back as it were and there is sufficient space or could negotiations be done so that although you work on a tonnage and possibly it has to be profitable, but it could be more or less a lower rate because you are taking something back that you would have to take back in the first place?

Mr. M. Payn:

The rates are calculated on contribution to overheads on that basis. The rates that I have forwarded are hugely lower than anything coming south-bound.

The Connétable of St. Mary:

Just for arguments sake, just off the top of my head you might have 50 containers coming in today which I assume have to go back to the U.K. or suchlike ...

Mr. M. Payn:

Not all are empty.

The Connétable of St. Mary:

No, not all, but this is the point that I was making, that at the present time one would assume, shall we say, that you have 50 containers coming in and you have 25 going back full and 25 empty possibly. That is just a scenario. Therefore, would you say: "Well, that is fair enough, because we have 25 going back empty anyway we can take them back full and you can have that extra capacity at a lesser rate?"

Mr. M. Payn:

That is what I have done on the rates that I have proposed.

Deputy R.C. Duhamel:

I think that is eye opening and I would like to thank you very much for attending and being so frank and honest with us.

Deputy P.V.F. Le Claire:

Is there anything else you would like to tell us, on or off the record?

Mr. M. Payn:

Transport. We are able to provide U.K. transport through our own fleet and also sub-contractors. Within Europe, Morvan Fils have an agreement with a French haulier. I would not want to go out to Eastern Europe, mind you. I am not saying it is not practical, but there would probably have to be a trans-ship perhaps 2 countries down. What else? Insurance is not included although we do ship under our standard terms and conditions whereby subject to us being proved to be negligent there is an opportunity to claim. We can provide marine insurance, but again that is an additional cost.

Deputy P.V.F. Le Claire:

Is that a significant cost?

Mr. M. Payn:

Yes. I would say if you are looking at 30,000 tonnes it is 0.56p per £% of value.

Deputy P.V.F. Le Claire:

0.56p per £ % of value is the insurance?

Mr. M. Payn:

Yes, roughly the insurance, additional marine insurance cost. I do not really know if you would need it, to be honest with you ...

Deputy P.V.F. Le Claire:

Not much value.

Mr. M. Payn:

Well, if it was something like temperature controlled foods or a high value product?

Deputy P.V.F. Le Claire:

Does G.S.T. start to come into play at all in any way?

Mr. M. Payn:

Not on exports.

The Connétable of St. Mary:

Would you say that it would be preferable for the recycling and the overall costings and suchlike, any preference between U.K. and France? Would there be any preference either way?

Mr. M. Payn:

I went into a French website yesterday - I cannot remember what the name of the company was - and I was surprised at the amount of outlets that this recycling

company had in Brittany and Northern Brittany too - the furthest one south was Saumur. Yes, that is ideal whereas if you look at the U.K the delivery distance could be greater.

Deputy R.C. Duhamel:

It is probably one of the companies that we have spoken to already.

Mr. M. Payn:

We used to export waste polythene mulch on behalf of Transport and Technical Services - or it was Public Services Department in those days - whereby the growers used to be able to take their waste down to them at the end of the season and say: "Here we are, thank you very much" and there was no cost, but I think now there is a disposal cost. We used to transport it up to Dumfries and we could not get our heads around that. The U.K. road haulage was more than the sea freight whereas now - and it is quite interesting that waste polythene mulch generally, part of the agreement with the supplier and the local agent is that the cost of return of the waste - and in this instance it is Germany - is all inclusive in the purchase price.

Deputy P.V.F. Le Claire:

That is coming through now on electrical goods and things as well.

Mr. M. Payn:

Yes.

Deputy P.V.F. Le Claire:

With computers now, I think the States have started to negotiate with the computer suppliers under the new guidelines from the E.U. on recycling that if they purchase computers that that lease agreement includes the responsibility on behalf of the seller to take that stuff back at no cost.

Deputy R.C. Duhamel:

Just picking up on your point about the agricultural plastic we had, I think, some representatives from SITA in France across to view the plant and they did query the

sense in transporting the agricultural plastic to the north of Scotland rather than looking southwards to a plant that is pretty well within a 50 mile radius of Jersey.

The Connétable of St. Mary:

Why were you so surprised at the amount within the Brittany area?

Mr. M. Payn:

I never really focused on recycling plants in Brittany. I was amazed with this one little company - and I am not sure how big it is compared to the rest of France or Europe. I think it was about 7 plants.

The Connétable of St. Mary:

Yes, 8, I think it is.

Mr. M. Payn:

Is it 8?

The Connétable of St. Mary:

I think it is 7 or 8 now, yes, Saumur, Rennes, St. Malo.

Mr. M. Payn:

Yes, and then the furthest south was Saumur.

The Connétable of St. Mary:

Yes, that is right.

Mr. M. Payn:

The same site we must have been visiting.

The Connétable of St. Mary:

Yes, and this is why the questions have been towards St. Malo as well because it would be just deliver at St. Malo full stop.

Mr. M. Payn:

Or there may be a provision, again from a cost support point of view, for them to collect from St. Malo. I presume they have got their own transport that they use?

The Connétable of St. Mary:

Yes.

Deputy R.C. Duhamel:

Would there be any objections on behalf of your company, if push came to shove, that you were in a position to negotiate directly with the Constables rather than going through Transport and Technical Services?

Mr. M. Payn:

It is not a problem.

Deputy R.C. Duhamel:

No problem?

Mr. M. Payn:

No, it is not a problem at all.

Deputy R.C. Duhamel:

Okay.

Deputy P.V.F. Le Claire:

The Constables obviously have responsibility for the collection of all of the waste and at their Comité des Connétables when they meet on a monthly basis consider as a collective ...

Deputy R.C. Duhamel:

They choose to divert material at the moment to Bellozanne for further treatment at the taxpayer's expense, but there is nothing in law that stipulates they have to do that and, indeed, all of the Constables to be told through a Parish Assembly by their parishioners who are footing the bill for the Constable to deliver the collected materials to a recycling outlet or a shipping company then those materials would not

necessarily have to go to Bellozanne to be burnt or treated in any other different fashion.

Mr. M. Payn:

Interesting.

Deputy P.V.F. Le Claire:

I was trying to say that they consider things as a collective of Constables, independently obviously, on behalf of the Parish, but they sit down and they think about things together and they talk about things together. They may not always work together, but where they think that it makes sense they are approachable, I think that is true to say, is it not?

The Connétable of St. Mary:

Yes.

Deputy P.V.F. Le Claire:

So it is not beyond the realms of possibility for companies to approach the Comité des Connétables and arrange to meet with them and conduct business with them on their own initiatives.

Mr. M. Payn:

No, that is fine. I do not have a problem with that.

Deputy R.C. Duhamel:

On that note can I thank you?

Mr. M. Payn:

You can indeed.

Deputy R.C. Duhamel:

It has been very helpful. Thank you for your time and your evidence.

Mr. M. Payn:

I will put that correspondence in the post to you.

Deputy R.C. Duhamel:

Can you do it to the panel, please?

Deputy P.V.F. Le Claire:

Can we go off the record for a minute because we are finished now?