

4.2 Connétable C.H. Taylor of St. John of the Minister for Economic Development, Tourism, Sport and Culture regarding the potential impact of proposed new waste charges on tourism and catering establishments:

Will the Minister inform the Assembly what surveys, impact studies and assessments, if any, the department has carried out to determine the potential effect of the proposed new waste charges on the tourism and catering industries?

Senator L.J. Farnham (The Minister for Economic Development, Tourism, Sport and Culture):

My department have highlighted to the Minister for Infrastructure and his officials the need to ensure that the detailed proposals for charging take full account of the impact on businesses of all sizes across all sectors of the economy. I should also add that the Chief Minister, Minister for Infrastructure and I during meetings with the various business representative bodies have undertaken to collaborate with all business sectors during the process of developing the detail to ensure that any new charges are fair and equitable. To that end, officers from my department are working with officials from the Department for Infrastructure on the development of the charging structure and I look forward to seeing and sharing the details in due course.

4.2.1 The Connétable of St. John:

Would the Minister confirm that so far, to date, there have been no studies and no assessments?

Senator L.J. Farnham:

I think the Constable's questions would have been better directed to the Minister for Infrastructure. It is his department that is leading this and, as I have said, we have pointed out to the Minister for Infrastructure and had constructive talks that we must undertake to collaborate with all business sectors. Now, I can confirm that my department has not carried out any studies at this stage, but we have discussed it in-depth with representative bodies. I would suggest that the Minister for Infrastructure might be in a better position to answer the question.

4.2.2 The Connétable of St. John:

Sorry, I was under the impression that the Minister represented the tourism and economic development industries of the Island and those were the industries who I was wondering how they were being affected.

The Bailiff:

Is there a question there? I thought there was.

The Connétable of St. John:

It was really clarification that as he leads those industries has he led the industry in obtaining the necessary impact studies.

[10:00]

Senator L.J. Farnham:

It was remiss of me. I should have addressed that point. Yes, I do and am privileged to lead those industries and will fight hard for them. I am in discussions with the industries and the various business bodies and that is why I said we are going to work very closely with Infrastructure to make sure the charges are fair and equitable because it is concerning the impact it could have on certain businesses, which is why it must be even and equitable.

4.2.3 Senator S.C. Ferguson:

Is the Minister aware that the approximate charges that are being discussed in the industry are pretty hefty? Is he aware of the level of charges that the Department for Infrastructure is thinking of and how is he going to fight this?

Senator L.J. Farnham:

I do not think there have been any figures discussed. I am certainly not aware of any hard and fast figures that have been decided upon. I know there has been hearsay floating around the industry and, yes, it is going to be a big ask between 2017 and 2019 to find £11 million from the commercial sectors. But Members will well know in this era of Zero/Ten, where there is zero corporation tax, the Council of Ministers has been charged with finding additional revenue. I accept the principle of the charge and we have to look to the commercial sector to raise more taxes. But as I said before, I will work collaboratively with the industry, with the Minister for Infrastructure and with officials to ensure that any charges that are introduced are as equitable and as affordable as possible.

4.2.4 Senator S.C. Ferguson:

Has the Minister sat down with some of the managing directors of the various hotels, for example, to discuss the indicated levels of charge which are circulating within the industry? Because I have heard some of the figures and we are talking the best part of £100,000 and this is very frightening for some businesses. Why is the Minister not taking a more proactive stance on this?

Senator L.J. Farnham:

I know the Senator has been absent for a year or 2, but I have been and I am very proactive with the industries I represent. I meet regularly with members from all sectors of the business community and I am aware of the concern there is about these charges, which is why we are going to work very closely and quickly with Infrastructure to make sure we can get some facts out there so people are not speculating about what they might be. The Senator and the Assembly can rest assured, as my past I think will show, that I will fight very hard for the sectors I represent. It might well be in the fullness of time - Sir, I will have to take your advice - that I would remind Members that I am a director of a hotel so there could be a conflict, although I hope there will not be.

4.2.5 Deputy G.P. Southern:

Will the Minister itemise for Members the actual steps that he has taken to consult on the assessment of the size of the charges that will be put in place?

Senator L.J. Farnham:

I wish the Deputy would listen to the answers sometimes. I will go right back to the beginning. My department have highlighted to the Minister for Infrastructure and his officials the need to ensure that the detailed proposals for charging take full account of the impact on businesses of all sizes across all sectors of the Jersey economy. We will work closely with Infrastructure to make sure that happens.

4.2.6 Deputy G.P. Southern:

What research has he done on the actual size of his proposals on particular businesses?

Senator L.J. Farnham:

I think I have answered that.

4.2.7 Deputy J.A.N. Le Fondré:

Could the Minister indicate at this stage whether the proposed charge has the full support of the tourism industry?

Senator L.J. Farnham:

Well, I would doubt that any new tax or charge would have the support of the recipient. Although there has been no formal announcement by the industry, I would think the answer would have to be no. But that is why we have to work these charges up very quickly and sit down with the relevant industries, not just tourism but agriculture and retail and other areas of general commerce, as quickly as possible so we can discuss and make sure that when the charges are introduced they are fair and they are equitable. I have undertaken, as have the Chief Minister and the Minister for Infrastructure, not to implement the charge without full and detailed consultation.

4.2.8 The Connétable of St. John:

Does the Minister share my concerns that 2 weeks from today we will be debating the Medium Term Financial Plan and in that plan it is proposed that we will be adopting the £10 million or thereabouts on these industries and to date you have carried out no studies because you have said: “We will work with the Minister” implying that you will do so in the future, after it has been agreed by this Assembly.

The Bailiff:

Through the Chair, Connétable.

The Connétable of St. John:

Through the Chair, I believe that is very bad leadership.

Senator L.J. Farnham:

We will in the M.T.F.P. (Medium Term Financial Plan) be agreeing the principle of a waste charge and I understand we will by 2019 be undertaking to raise up to £11 million from that decision. I do not know if that is going to be feasible or not at this stage to take £11 million from the business sectors. As I said before, the members of the Reform Party make the most noise about businesses underpaying on taxes, and many Members and Islanders think that businesses have to pay more, so we have to explore these issues. But if we do not find a way of charging fairly and equitably across the business sectors, then there is going to have to be some rethinking at some stage. I think with goodwill and collaboration we will find a way to implement these charges fairly. If I am being honest, I would rather we did not have to implement them, but we are one of the only places in the world that does not charge for the disposal of liquid and solid waste and we have to address that at some stage. I think the sooner it is done the better.