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3.3 Deputy A.D. Lewis of the Minister for Transport and Technical Services regarding the provision of services for the incineration of Guernsey's waste:

Can the Minister update the Assembly as to how negotiations with the States of Guernsey are progressing with regards to the possibility of Transport and Technical Services providing services for the incineration of Guernsey's waste?

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

As Members will recall from my answer to a similar question from the Deputy in November, the Transport and Technical Services Department supplied Guernsey with indicative costs for the processing of waste at La Collette Energy from Waste Plant in August 2013. These costs were provided in response to an expression of interest request for the transport and treatment of residual waste from the States of Guernsey. In this expression Jersey gave details of the Jersey Energy from the Waste Plant's spare capacity and an indicative gate fee cost. Guernsey had several replies to the tender request and following evaluation of the expressions of interest returns the Jersey gate fee was not as competitive as some of the other organisations. This is not surprising because many of the competing companies own very large-scale energy from waste facilities whose primary aim is to provide electricity. The Jersey plant was built to service Jersey which is relatively small in comparison, and was developed to deal with our waste and our future waste, not the production of electricity, which is merely a by-product. However, there is an opportunity to utilise the plant's spare capacity while the Island's waste arisings are relatively low. It is probably worth saying to make it very clear that the solution for the Guernsey waste rests with Guernsey. Guernsey will not start exporting until at least 2016, and probably 2017, as they need to build a significant on-Island facility to pre-treat, recycle and sort and prepare the waste. If Guernsey decides that the Jersey option is favourable then we will have to decide as an Assembly ourselves whether or not to accept waste from other jurisdictions. I hope that I can provide the Deputy with comfort that my officers and their Guernsey counterparts are in frequent dialogue and that they are working together to hopefully provide a Channel Islands-based solution. It is my belief that a Channel Islands solution to dealing with waste and recycling for both Islands would have significant benefits and indeed support our local transport needs.

3.3.1 Deputy A.D. Lewis:

The Minister will be aware that within the Ports of Jersey case for incorporation 9 projects are identified with which contribute to the ongoing revenue requirements of the ports, with incorporation of Guernsey's waste as one of them. Furthermore, this is also identified as a key objective in the M.T.F.P. (Medium-Term Financial Plan). Can the Minister assure the House that negotiation is not further delayed in such a way that there will be an adverse impact on both incorporation of Jersey's Ports and consequently the M.T.F.P.?

Deputy E.J. Noel:

Unfortunately there already has been an impact on the income figures for T.T.S. (Transport and Technical Services) in the current M.T.F.P. of circa £1.5 million, which we are going to have to meet that shortfall in income from within our own resources. We are keen to work with our Guernsey colleagues. Officers from both Islands do have an active dialogue and in fact we are meeting with our Guernsey colleagues in Jersey in the latter part of next month, being May. This is something that I personally am keen to bring forward, but as I have said previously in this Assembly it has to be a win-win situation for both Jersey and for Guernsey, and we cannot take Guernsey waste and use Jersey taxpayers' money to subsidise that, so it has to be of mutual benefit to both Islands.

3.3.2 Deputy J.A. Martin of St. Helier:

I would just like the Minister for Transport and Technical Services to remind the Assembly that there are capital costs in the tender or, as he put it, expression of interest and costings. Can he inform the Assembly as well when expressions of interest and the costings have been put into forecasted budgets which are at this stage, the Minister's own words, only expressions of interest, how long has this been going on and does he think it is a good way to forecast next year's budget in the M.T.F.P.?

Deputy E.J. Noel:

As we have already provided Members today in a written question this sets out the timetable of when this whole process started, and that was back in June 2007, and it continues today. As I said, Guernsey's waste solution is a Guernsey solution. If we can help them by accepting that waste here and using the spare capacity while we have it in our own Energy from Waste Plant as a short-term measure and it works for both Islands and it is a win-win and there is no cross-Island subsidy between different taxpayers then it is a good thing to do.

3.3.3 Deputy J.A. Martin:

A supplementary. Does the Minister not understand the concept of bird in the hand? We have not got this contract but he is forecasting the income from it in projected budgets. Does he agree this is wrong?

Deputy E.J. Noel:

It was not my forecast in the budget, and I agree with Deputy Martin. We should be prudent in our forecasting and I believe the Treasury team are doing so in the next M.T.F.P. and our income projections.

3.3.4 Deputy C.F. Labey of Grouville:

My question only requires a simple answer, yes or no. Was our incinerator designed to a size and scale to accommodate Guernsey's waste?

Deputy E.J. Noel:

To my knowledge the answer is a simple no, for the Deputy of Grouville. It was designed to cope with Jersey's waste, both now and its projected waste in the future.

3.3.5 Deputy M.R. Higgins of St. Helier:

The Minister goes on about that he is looking for a win-win situation whereby Jersey is not subsidising Guernsey's waste. Is it not a fact that Guernsey have been offered considerably lower prices for their waste in Cherbourg and other out of Island locations and there is no way that Jersey would be able to match it without providing a subsidy for Guernsey?

Deputy E.J. Noel:

You have to compare apples with apples, not apples and pears. The other different facilities where Guernsey could export their waste to provided a gate fee. That is not the overall cost involved to Guernsey, so if Guernsey considers the overall cost of disposing with their waste then I believe that Jersey in the short-term can be competitive.

3.3.6 Deputy M.R. Higgins:

Supplementary. Will the Minister provide Members with a detailed written breakdown showing from their knowledge of Cherbourg and other places what the difference is in cost? I think Members will find out it is quite considerable.

Deputy E.J. Noel:

It is data that I believe is probably readily available on places such as the internet, but I do have a breakdown that I can circulate to Members and indeed it has already been previously circulated to

Members, which gives a breakdown of the different waste process gate fees that were supplied to Guernsey back in 2013. That information has already been given to Members quite some time ago.

3.3.7 Deputy G.P. Southern of St. Helier:

As part of his conversations with his Guernsey equivalents will he not keep one eye on the sums listed on appendix A of the Resources Statement of the Strategic Plan that suggests that we are £2.5 million a year light and that it would be in our mutual interests, both Jersey and Guernsey, to cover at least those costs?

Deputy E.J. Noel:

It is in Jersey's interest to get a contribution to its marginal cost of our Energy from Waste Plant in the short-term, while we have spare capacity.

3.3.8 Deputy A.D. Lewis:

Thank you for the Minister's responses. I understand there is still 30 per cent capacity at the moment, so every effort should be made to negotiate with Guernsey, and I do hope that in May the Minister has some successful negotiation to move things forward. Also, does the Minister agree that successful negotiation with Guernsey will also enable T.T.S. to further consider other revenue streams, such as the processing of commercial waste by way of a gate fee, which will encourage high levels of recycling and significantly contribute to the ongoing costs of operating the E.f.W. (Energy from Waste) Plant?

Deputy E.J. Noel:

I believe there is a lot of synergy between myself and Deputy Lewis of St. Helier. That is exactly what we are trying to do. I hope that we have some very fruitful discussions with our Guernsey colleagues, but at the end of the day Guernsey's waste solution is Guernsey's waste solution. If we can facilitate and take part in that solution then all good, but it is their solution. With regard to having a gate fee, I said back in November in my speech to be appointed as the Minister for Transport and Technology Services that I favoured certainly introducing a gate fee for commercial waste. It is ludicrous whereby developers can take their lorries to our Energy from Waste Plant, and dispose of their waste for free at the cost to the taxpayer. That is something that I am in discussions with the Constable of St. Helier about and it almost crops up virtually every conversation that we have about lifting of the covenant at Bellozanne which would allow this.

The Deputy Bailiff:

Can I just remind Members that questions and answers should be succinct, please?