

4.14 Deputy S.Y. Mézec of the Minister for Infrastructure regarding work undertaken during the summer recess on the proposed waste disposal tax: [1(491)]

Will the Minister update the Assembly on what work, if any, has been undertaken over the summer recess to engage with the business community on the impact of the proposed waste disposal tax and indicate whether he anticipates making any changes to the proposals for when they come back to the Assembly?

Deputy E.J. Noel (The Minister for Infrastructure):

I could say: what summer recess? The department and I have met with a number of businesses and trade associations over the course of the last few weeks since the start of the summer recess to further explain the charges and to seek their views of those present. Over the course of the next few months the department will, together with Treasury and E.D.T.S.C. (Economic Development, Tourism, Sport and Culture), continue with its stakeholder engagement programme and with the public to better understand the impact of the charges on non-households. The M.T.F.P. target and the in principle decision on waste charges have left my department with little room to amend the proposals. Any changes to the level of income achieved have to be found from elsewhere within the overall States budgetary envelope. There is no new money. As the States agreed a user-pays charge, it is difficult to propose a charging scheme that does not reflect user pays. Inevitably, those industries, such as the hospitality sector with the highest water usage are also likely to be among those paying more. It is a simple equation because their usage of the sewerage system is also likely to be greater. Some quarters of the business community have not welcomed this proposal of the Council of Ministers and we are working on measures that will assist the businesses which are hardest hit. Options include providing an extended transitional period, providing a service to help businesses improve their environmental performance, working with the Parishes to streamline the collection methods and simplifying charging. My final point is to remind colleagues that currently the public of Jersey, through direct taxation, are subsidising businesses in terms of their waste disposal. Our recycling rates, as I said earlier, are very low, compared to any other European jurisdiction and without commercial waste charges the businesses of dealing with waste will not have sufficient funds to continue to protect this wonderful Island of ours.

4.14.1 Deputy S.Y. Mézec:

I also spoke to businesses who are concerned about this during the summer recess and I found that many of those I spoke to had a large degree of sympathy with what the Minister has just said, particularly the point about income taxpayers subsidising the service. But what they found difficult was the very nature of this proposed tax will see these businesses charged an amount that bears no correspondence to their actual ability to pay it. With income tax the more you are able to pay, the more you pay, the less you are able to pay, the less you pay, that principle is not being applied to this tax. Does the Minister think that in the interests, not just of the environment but also for economic growth, it would be good to go back to the drawing board and look at some form of way of charging these businesses so that they are contributing for the services that they are benefiting from but doing so in a progressive way that is based on that business's profitability, its viability, so that we do not damage these businesses and end up in a situation where hotels simply see that they are better off converting into accommodation, rather than hotels because then they will not be subjected to this tax?

Deputy E.J. Noel:

I know that the Deputy was in the Assembly when we debated the addendum to the M.T.F.P. Similar to the Constable of St. Helier, what he is asking me to do is outside that States decision. I simply cannot do what he is asking me to do. I have no remit to come up with other ways of

taxing businesses. I have a remit from this Assembly to bring back the detail to introduce user-pays charges for non-households and that is what I am doing. Until this Assembly changes its decision, that is my remit.

4.14.2 Deputy G.P. Southern:

Does the Minister consider that user pays includes an element of ability to pay and that it is perfectly possible for him to bring something that contains ability to pay, alongside user pays, without breaking any of the propositions passed through the Assembly?

Deputy E.J. Noel:

No, I do not agree with Deputy Southern in that respect. User-pays charges are exactly what they are, it is user pays, that bringing an element of affordability to that changes the nature of them and then need some cross-subsidisation of those costs that the user is supposed to be paying for.

4.14.3 Deputy G.P. Southern:

Does the Minister then interpret user pays to be a punitive measure?

Deputy E.J. Noel:

I interpret it in the simple language that it is, it is user pays for the services that they are consuming. If they want to mitigate their costs, they have to mitigate the use of those services.

4.14.4 Deputy S.Y. Mézec:

Is the Minister, as a Member of Jersey's Parliament, aware of the doctrine of parliamentary supremacy, which says that a Parliament cannot bind a future Parliament? Does he not agree that if it then turns out that the principle of user pays is inappropriate, he is able to bring a proposition asking the States to reverse that decision and instead pursue another path? Would that not be a more sensible way forward, a way of reaching a consensus where Members from across the divide are able to accept that we should be asking businesses to contribute to services but to do so in a proportionate and progressive way that does not risk harming economic growth but still enables his department to do the job that it needs to do? Does he not agree that that would be a sensible way forward and in line with the doctrine of parliamentary supremacy?

Deputy E.J. Noel:

I look forward to a foremost proposition doing exactly that. Whether or not I support it or not would be another matter.