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Making the Most of Every Drop
Consultation on Reforming the Water Abstraction Management System

The British Aggregates Association (BAA) welcomes the opportunity to comment on these proposals.

We represent the interests of over 110 members of which some 70 are independent and privately-owned SME quarry companies throughout the UK with some 15% of national aggregates output and who operate out of some 300 sites. We are part of the consultation and lobbying process both in the UK and Europe – and are also represented through the CBI (Confederation of British Industry) Minerals Group and CPA (Construction Products Association). Our planning group meet on a regular basis. We have individual member representation on all the ten Aggregates Working Parties (AWPs) in England and Wales, and through the national steering groups; and work closely and constructively with other stakeholders including central and local government, the regulatory agencies and the Planning Officers' Society (POS).

We fully support the separate response to the consultation submitted by the CBI Minerals Group. We have engaged directly with the regional water workshops and expressed our concerns most recently at the EA/DEFRA events in February.

The essential need for an adequate and steady supply of minerals is recognised by the government in the National Planning Policy Framework (NPPF). (para 142) Minerals by their very nature can only be extracted where they occur so the choice of location is limited and often quite site specific unlike other forms of development, and restrictions on "abstraction" in specific areas could needlessly shutdown viable and nationally vital mineral operations.

Whilst minerals extraction is a 'temporary' use of land, operations can continue for in excess of 25 years. Depending on geological and hydrogeological conditions, extraction may begin above the water-table and progress below the water table. The potential impacts on the environment, including the water environment, will have been rigorously assessed as part of the planning appraisal and EIA (environmental impact assessment) of the site. Systems of monitoring and control may be required as part of any planning permission.

The industry currently benefits from an exemption from licensing for the dewatering of their sites, which in most cases involves little if any **net** abstraction. Despite strong lobbying to have net abstraction or captive use written into the 2003 Water Act, the framework for removing this exemption was put in place at that time.
However, despite this Act having been put on the statute book 10 years ago and after several further consultations, we still await the government's proposal for the licensing of exempt abstractions - and still hopefully that clarity on net use and common sense will still prevail.

The aggregates industry is still in deep recession and outputs remain over 30% below pre-2008 peak. Retaining the current abstraction should be considered a fair and prudent measure under the government Red Tape Challenge to remove unnecessary bureaucracy particularly for SME operators such as the BAA membership base; and recognising that the industry is a very small captive water user.

Industry needs to plan and invest for the long term with certainty about gaining access to permitted reserves. Our quarrying operations can continue for over 25 years and these may depend on continuous dewatering to gain access to the mineral reserve. Any disruption of this ability to dewater could have serious commercial consequences.

It was clear at the recent seminars that many participants shared the view that the current proposals are needlessly over-bureaucratic and a less rigorous regulator controlled regime is needed. The clear long-term solution would be to feed a national water grid similar to that used for power supply.

Consultation Questions

1) **What are your views on the proposal to convert seasonal licences into abstraction permissions based on water availability?**

   The quarry industry needs to be able to continue to dewater throughout the year to accommodate fluctuations in groundwater levels. The fact that these tend to be less pronounced than in surface water may present opportunities for the industry to assist in supplementing surface water systems.

   Groundwater may be in continuity with surface water flows and it will be important to understand the mechanism by which a drop in surface water flow results in restrictions upon groundwater abstraction for de-watering purposes.

2) **What do you think about the different proposed approaches to linking abstraction to water availability for surface water and groundwater abstractions?**

   Industry's requires abstraction from ground water as necessary to access mineral reserves. Captive consumption is small, so the ability to extract more from surface water at periods of high flow is not of great interest.

   Proposals to link groundwater abstraction to long-term ground water availability need to recognise that the minerals industry currently returns the water to the same or an adjacent aquifer. (Where this is returned to surface water courses the site would be subject to a discharge license)

3) **Would it be helpful if abstraction conditions required abstractors to gradually reduce their abstraction at low flows before stopping, rather than being just on or off?**

See answer to Q.2

4) **Do you think the proposal to protect the environment using a regulatory minimum level at very low flows is reasonable? If not, how do you think we should protect the environment at very low flows?**

See answer to Q.2

5) **What do you think of the proposal to require abstractors who discharge water close to where they take it from to continue to discharge a proportion in line with their current pattern?**

The fact that Section 4.3 or Annex C does not mention what currently happens in the minerals industry is of great concern as it would suggest it has not been considered.

The minerals industry supports the concept of a closer link between abstraction and discharge. It has been a standard requirement for many years for the industry to demonstrate this link during the planning/environmental impact assessment of a new quarry site.

The challenges for metering in a practical and cost effective way should not be underestimated and will need detailed discussion with the industry.

6) **How best do you think water company discharges should be regulated to provide reliable water for downstream abstraction without impacting on water quality objectives or constraining flexibility in water management?**

The minerals industry may have a part to play here also. The industry only discharges what is necessary to enable it to gain access to the mineral reserves. Any requirement to do otherwise will need careful consideration as it could have a major impact a Company's ability to continue to operate. Industry may be able to increase discharges to support other abstractors downstream but would need adequate financial incentives to do so.

7) **If you are an abstractor, how would these charging proposals affect your business?**

This proposal appears to relate only to surface water abstraction and therefore is not relevant to most mineral operators. However, if the same principles apply to abstraction from groundwater, charging for dewatering where there is little consumption should relate only to the volume consumed and NOT the volume abstracted. The system of measurement should avoid costly and impractical metering.

8) **To what extent would a system that charges abstractors partly on permitted volumes and partly on actual usage (ie a two part tariff) encourage abstractors to use less water?**

See answer to Q.7 above. In the case of quarry dewatering abstractions, the system must be based on captive (net) consumption only.

9) Would quicker and easier water trading benefit abstractors now? How beneficial do you think it would be to abstractors in the future?

A simple system of water trading may have some marginal benefits to the minerals industry. However, if trading is limited to being able to sell only reduced abstraction volumes, then it will be of no benefit to the minerals industry. The industry's ability to store water in quarry voids and use it for irrigation or to increase surface flows at the point the buyer is taking the water should also be tradable, as otherwise there would be no incentive to use water stored in quarry voids.

10) To what extent do you see additional benefits in the wider range of trades that can happen under the Water Shares option, compared to the Current System Plus option?

See answer to Q.9 above

11) Do you agree that participation in abstraction trading should initially be limited to those with a direct interest in abstracting water?

See answer to Q.9 above

12) Do you support our proposals for a more consistent approach to making changes to abstraction conditions? If not how would you improve the proposals?

Ideally we believe there are very clear reasons for maintaining the current dewatering exemptions for the minerals industry.

Our main concern for the industry is certainty regarding ability to continue to dewater in the long term. Any proposal that would increase uncertainty will be of great concern.

13) What notice periods do you think would best balance the needs of abstractors and the environment?

In the case of quarry dewatering abstraction licensing, it is essential that there is a transparent and fair procedure for the review and change of conditions which provides adequate time to the abstractor to discuss and if necessary appeal any change.

14) Do you support the proposal to remove the payment of compensation for changes to abstraction conditions and to phase out the collection of the Environmental Improvement Unit Charge through abstraction charges?

No. We strongly oppose any move to remove compensation payable in respect of the removal of the existing exemptions enshrined in the 2003 Water Act.

15) Do you agree it is important to take measures when moving licences into the new system that would protect the environment from risks of deterioration?

No. If the industry is forced to lose the current dewatering exemption, the transfer to any new system must recognise the need to maintain mineral extraction. There are already mechanisms for dealing with sites failing to meet environmental or planning conditions.

16) **Would you prefer us to consider the risks in each catchment when designing the rules for moving licences into a new system, or should we treat all abstractors in the same way regardless of water availability?**

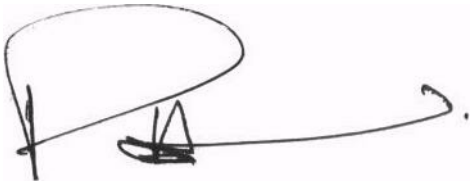
Subject to comments elsewhere, we would support a risk based approach.

17) **What would be the most effective method to calculate the new annual limits to be transferred into the new system (for example average annual, average peak or a combination of actual and licensed volumes)? And what assessment period should be used to calculate them?** This is essentially a most unhelpful and impractical approach to dealing with the minerals industry as commented in previous answers. Again it points to the industry retaining its current exemptions as the most sensible and pragmatic approach.

18) **Do you support the establishment of a water reserve to support economic growth?** Not relevant to the minerals industry, though there may be opportunities to use flooded quarry voids as part of the reserve.

Please do not hesitate to contact me if you should have any queries regarding this response.

Yours Sincerely



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