

Response to HM Treasury Consultation on the Objectives of the Sustainability Fund under the Aggregates Levy Package.

October 2000

Overview of the B.A.A.

The British Aggregates Association was formed last year to represent independent quarry companies throughout mainland Britain and Northern Ireland. We currently list 64 member quarry companies who operate over 100 sites. Our members also operate ready-mix concrete and asphalt plants as well as re-cycling and landfill operations. We are entirely separate from the Quarry Products Association. It is important to stress that the BAA represents the interests of genuinely independent quarry operators who will often have a rather different approach to the five major companies, Tarmac, Lafarge, Aggregate Industries, RMC and Hanson, who are so important in the QPA.

A Track Record of Environmental Achievement

The aggregates industry is proud of its record of achievement in protecting the environment. Sound management techniques and a concern for the local and global environment means that quarries have invested heavily in measures to benefit the environment. It is clear that any remaining environmental impact from quarrying is minimal, and much lower than the impact in other areas, such as farming, open cast coal mining and fishing, which seem to have avoided the Government's current fascination with "green taxation". The consultation paper itself recognises how significant quarrying sites are to the development of Sites of Special Scientific Interest and that they play an important role in encouraging biodiversity.

Alarming, the aggregates tax can only reduce the amounts available to the industry to invest in the environment. How can the Government expect the quarrying industry to maintain its excellent track record, on the environment, when it takes ten times as much from the industry as it proposes to hand back in the form of the sustainability fund?

Therefore the BAA remains totally opposed to the aggregates tax, which is illogical, misjudged and unwise and will fail to achieve the objectives that the Government have set it, while damaging a major primary industry.

The Sustainability Fund

Notwithstanding BAA total opposition to the aggregates tax, which we intend to continue to fight against, it is clearly sensible for us to express a view on the way the sustainability fund would operate. We believe that the sustainability fund should aim to achieve the following:

- To enhance and promote the image and status, and demonstrate the importance of the quarry industry, particularly for people who live close to the activity; and in terms of its important contribution to modern life, employment and social structure of the community;
- To improve the environment in the immediate vicinity of working quarries. With this in mind we would propose that a significant proportion of the sustainability fund should be allocated to projects located within a five-mile radius of quarry sites.

- Many of our members are also landfill operators and are therefore well versed in the operation of the landfill tax credit scheme. We believe that many of the principles and practices of the landfill tax credit scheme would be suitable for the sustainability fund.

The consultation paper asked for a response on six options. A summary of the BAA view on each of these is as follows:

1. Promoting alternate uses. This will have only limited application, as the availability of "wastes" is inevitably limited. The BAA believes instead that quality standards are very important. The correct mechanism would be to establish a suitable forum of producer and user associations, together with research providers to explore the potential for promoting alternative use.
2. Funding research into "sustainable construction / demolition". The BAA is concerned that this option is not well enough defined and could therefore be wasteful and abused. One stated objective of the tax is to reduce waste products, but the tax will inevitably generate even more waste, by making it impossible to sell low value aggregates.
3. Promoting conservation. As set out above, the industry already has an excellent track record in this area. We believe that our members – the smaller independents – have made the greatest contribution. Few have needed – or been able to afford – expensive environmental consultants to support them in these activities, so we remain to be convinced that this is the most appropriate way forward.
4. Restoring the natural landscape. We believe that this option is essentially the same as option (3) and therefore the same comment applies.
5. Promoting environmentally friendly quarrying practices. The BAA is concerned that this option is also poorly defined. We are sympathetic to some of the suggestions, but believe they are not thought through. For example, while we support in general a higher use of water/rail transport, it can only happen if British Waterways and the rail providers are commercially competitive – either with or without public subsidy. It would therefore seem more sensible to ask the producers, users and transport providers to co-operate in a suitable forum..
6. Local Community projects. As stated above, we believe that these options are, by far, the highest priority and would recommend making this the significant part of the sustainability fund's objective. We believe that the fund should support good projects directly.

There is widespread concern that the "Sustainability Fund" is little more than an attempt to divert public attention from the cynical use of the environmental argument to broaden the tax base.