

Letter to all MP`s

To All MPs, House of Commons, London, SW1A 0AA

2nd May 2001

Dear Sir,

Aggregates Tax, included in the Finance Bill currently before Parliament, will cause unwarranted damage not only to the quarry industry, but also to the construction industry and the basic infrastructure of the entire country. The tax, due to be introduced at a rate of £1.60 per tonne, is now becoming recognised as being a monumental blunder and many people are likely to lose their jobs. I would be very grateful if you could give a moment's thought to the following points and how they will affect you, your constituents, and the country at large.

1. Britain is going it alone on tax. No other European country is considering such an enormous levy. The Dutch postponed imposing a levy, when they realised that their concrete industries would move over the border to Germany or Belgium, and the French imposed a 5p per tonne levy, to fund environmental improvements.
2. Job losses are estimated at 7,500 across the UK within quarrying and associated industries. 4,000 of these jobs will be lost in Northern Ireland, 2,000 in England & Wales and 1,500 in Scotland.
3. The tax will be extremely complex and expensive to administer. Much secondary legislation is already scheduled and a great deal of Parliamentary time will be wasted for little, if any, financial gain and absolutely no environmental gain.
4. Although the headline rate is set at £1.60 it is obvious that due to things like compliance costs, cash flow costs, secondary aggregates, and increased haulage charges the actual cost to the end user will be much higher. Current estimates are an average national price increase of plus £4.35 (+64%) in 2002, rising to around £7.65 (+151%) by 2006. Many products which require aggregates will be replaced by imports and the damage will be irreversible.
5. Rather than protecting the environment, the tax will cause a great deal of damage. Many of the small operators will close their gates, causing material to be transported much greater distances. More trucks more congestion and more greenhouse gasses. It is now accepted that the most environmentally friendly method of quarrying is not by fewer very large quarries but by small units, nearer to the customer, which reduce road miles, cut down on waste and benefit the local community.
6. Britain has the poorest infrastructure in Western Europe and we will now have the highest construction and maintenance costs as well.
7. Quarrying is one of the few alternative sources of rural employment. Many redundant farm workers and farmers' sons have found employment in quarries. Where will they go now ?

8. Distributing revenue from the Aggregates Tax by an across the board reduction in NIC will simply bleed money from the rural economy and give it to the much more affluent urban economy.
9. The UK quarry industry is the most tightly regulated in the world. In reality, very few complaints are made about quarries. We have invested heavily to comply with tough new environmental laws and it does not make sense to legislate for a problem which simply does not exist.
10. The UK is rapidly approaching its capacity for recycling. Once again, Britain leads the way in Europe. Recent government research has confirmed that there is now very limited scope for additional recycling.
11. Local authorities will be big losers and, unless their budgets are increased to allow for the tax, they will be unable to carry out much of their work. The public purse accounts for 40% of all aggregate sales.
12. Recent research suggests that poorly maintained and sub-standard roads are contributing to the accident statistics. With an average of 10 people dying every day on roads, many of which are in poor condition, it does not make a great deal of sense to handicap the road building industry. Even special anti-skid aggregate will be taxed.

I urge you to question this disastrous tax.

Visit www.british-aggregates.com or contact me direct, for more information.

Yours sincerely,

Robert Durward Director.