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24th July 2009

Mark Haynes
HM Revenue & Customs
Ralli Quays
3 Stanley Street
Salford
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landfill-tax.consultation@hmrc.gsi.gov.uk

Dear Mark

Treasury /HMRC consultation - Modernising Landfill Tax Legislation, April 2009

Thank you for the opportunity to respond to this consultation.

The British Aggregates Association (BAA) represents the interests of some 90 members. 60 are independent and privately-owned SME quarry companies throughout the UK with some 10% of national output and operate from over 100 sites. Our members also have obligations for restoration of their sites and rely on the availability of suitable inert materials for restoration, and several also operate waste or landfill sites. We are active members of the CBI Minerals Group and of the Construction Products Association; and closely involved with the legislative process and lobbying activity in both the UK and in Europe.

Our main concerns with your proposals are:

- The landfill tax has been in the past a driver for diverting materials from a waste into a product stream. However, in more recent years the rapid increase in the cost for disposing of active wastes has both increased the use of these materials into less suitable areas and seen a rise in unauthorised fly-tipping. This has been ineffectually handled if not largely ignored by the Environment Agency and by Local Authorities. Your proposals to divert genuinely inert materials, which have positive environmental credentials, into the higher tax rate are both unreasonable and perverse.
- The adverse and potentially disastrous environmental impact of placing exempt and inert materials used for quarry restoration into the proposed new tax regime. This problem would be corrected by these environmentally-friendly materials being considered as recovered rather than as disposal products, which has already been recommended in the Davidson report.
- Changing the landfill tax definition of inert waste to mirror waste legislation will result in non-hazardous sites competing with quarry restoration for inert wastes as non-hazardous landfill sites require suitable cover materials at the end of each working day.
- Whilst the Environment Agency (EA) draft standard rules for waste recovery will allow the use of these materials, Treasury is proposing they are subject to a higher level of tax if land filled. It would certainly lead to quarry operators finding it increasingly difficult to secure adequate

volumes of material for environmental care and restoration as the EA is reducing regulation on wastes that have potential to cause environmental harm.

- The proposed bureaucratic separation between different phases of a site life. It is essential that all materials moved on site for construction, repair and maintenance continue to be exempt from liability at all times including the pre and post disposal periods.

We would note that in the current recessionary conditions in the UK of which our industry has been and continues to be particularly hard hit that any additional costs would be most unwelcome not least by our members who are SMEs. We would note that the industry is currently facing an unprecedented level of government consultation, interference and new regulation much of which is neither welcome nor necessary; and contravenes both UK and EU better regulation intentions and targets.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Peter Huxtable', with a large, stylized initial 'P'.

Peter Huxtable Secretary

