

Friday 11th July 2003

ENVIRONMENT TAX CREATES NEW WASTE HEAPS , ENCOURAGES BLACK-MARKET - AND GIVES CASHFLOW PROBLEMS FOR SMEs

We enclose our membership survey on the impact of the aggregates levy in the first year of operation compared to the previous 12 months. Key findings are:

Further evidence of the growth in new waste heaps of low-value secondary products as a direct result of the levy – affecting two-thirds of the membership. Whilst some 10-15 million tonnes a year of this material was already building up in quarries ahead of the levy – this has now doubled to 20 to 30 million tonnes a year – with consequent environmental impacts!

This market has been lost in part to the use of primary materials, part the use of secondary materials not attracting the tax – and part to the increased use of unlicensed materials.

Over a third of the membership reported that they had evidence of black-market (unlicensed) operations – covering Northern Ireland, Scotland, and the southwest and East Midlands in England.

Cashflow remains a significant problem – 60% of members reported that they had received less from customers than paid to Customs and Excise – with a consequent significant increase in their working capital.

There was general satisfaction with C&E officials – only 20% found them unhelpful.

For further information please contact BAA Secretary Peter Huxtable

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Notes to editors:

- The British Aggregates Association is the representative trade body for independent quarry operators www.british-aggregates.co.uk
- The Association represents some 60 member companies across the UK producing around 10% of national output from over 100 individual sites

- The Association was formed in late 1999 to fight the imposition of the ill-conceived Aggregates Levy and to protect the independent SMEs from increasing dominance from the major operators.
- The Association participates fully with EU and UK consultation on environmental, economic, and health and safety legislation.
- The BAA last year established a Restoration Guarantee Fund for its members to cover environmental liabilities.