



The Railway Forum

Press Release

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For immediate use

RUBBLE TROUBLE: 'AGGREGATES LEVY UNFAIR ON RAILWAY INDUSTRY', SAYS FORUM

The Aggregates Levy, introduced by Gordon Brown in 2002, was a major and positive step to discourage the use of newly quarried material and encourage the recycling of stone and ballast.

Unfortunately an unforeseen consequence is that the Levy also applies to spoil taken from new rail tunnels and earthworks and used on adjacent developments. It even applies to this spoil when it is mixed with lime and used elsewhere on the railway project for embankments and other purposes. This charge does not however apply to road construction.

The result on big projects, such as the Channel Tunnel Rail Link, is a multi-million pound surcharge on the sensible recycling of material.

'I would like to see an examination question for taxation specialists to explain why a charge for the sensible recycling of material should be levied on the railways whilst roads are exempt', says Adrian Lyons Director General of the Railway Forum. 'I think they would be hard pressed to come up with any answer that made sense. This is an anomaly the Chancellor must remove as quickly as possible, hopefully in Wednesday's budget.'

-Ends-

Notes to editors:

1. Section 17 (3) of the Finance Act 2001 specifically exempts aggregate if it is won by being removed from the ground in a number of specific situations. These include excavations for buildings, dredging of watercourses or removal along the line of a highway or proposed highway. There is however no specific reference to aggregate removed along the line of a railway.

Despite requests to HM Customs and Excise they are unfortunately unable to accept that the word 'highway' in Finance Act 2001 could be interpreted as including a railway. Without exemption the costs incurred in respect of railway projects are currently greater than equivalent road projects by virtue of the additional aggregate levy that is applied. This has a significant impact in relation to the building of the Channel Tunnel Rail Link (CTRL). It also has the potential to increase costs in relation to all future railway enhancements.

2. For CTRL enquiries contact Ted Allett, Quality & Environment Director, Union Railways on 020 7681 5300.
3. For Network Rail enquiries contact the Network Rail Press Office on 020 7557 8292.
4. The Railway Forum is an industry-wide body sponsored by the majority of the train operating companies, Network Rail, all three major rolling stock leasing companies, the Passenger Transport Executives, London Underground, most of the infrastructure maintenance companies and many manufacturing and other businesses serving the UK rail industry. Other complementary railway industry bodies including The Railway Industry Association and ATOC are also members. Our key role is to act as a think tank, information exchange and point of contact for those committed to and interested in our industry.

For further information call:

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