

For immediate release

Major industrial projects face “collapse” from new waterways waste tax, warn port and river authorities

- **Ministers plan to impose tax on the clean-up of ports, rivers and canals**
- **Tens of millions of pounds will be added to the cost of planned developments around waterways that are crucial to the UK's growth plans**
- **Projects ranging from green energy plants to flood protection will be “unviable”, ministers told in cross-industry letter led by the British Ports Association**

London, 18 January 2026: An incoming tax imposed on the decontamination of ports, rivers and canals will have “grave consequences for investment” and ruin developments needed for economic growth, ministers have been warned.

From April next year, the Treasury plans to remove a key exemption that supports the use of stabilisers in the safe disposal of contaminated sediment known as dredgings, which is vital to the management and development of water-based areas. The British Ports Association, whose members own and operate more than 400 ports, terminals and facilities, fears the tax could add tens of millions of pounds to major projects, making them impossible to fund.

In a letter to Dan Tomlinson, the Exchequer Secretary to the Treasury, BPA Chief Executive Richard Ballantyne wrote: “Alongside our partners in the rivers, canals and waste management sectors, including renewable Energy from Waste and Biomass plants, we are writing to express our alarm at imminent changes to a landfill tax exemption that will have a minimal impact on the Exchequer but will have grave consequences for investment in several important ports...

“The consequences of this decision will badly damage the Government's commitment to boosting growth, economic stability and its mission-led focus on infrastructure. The problems include, but are not limited to, the collapse of major industrial and development projects, particularly in ports, rivers and canals... delaying net zero as green energy and industrial projects in port areas become unviable.”

The latter also warns that “tens of thousands of jobs” could be lost in the North-east, which has been earmarked for industrial growth, particularly in the advanced manufacturing and renewables sectors located in port regions.

Signatories to the letter include:

- The Canal & River Trust, which looks after 2,000 miles of canals and rivers across England and Wales
- Forth Ports Group, which comprises eight ports in Scotland and England
- Land & Water, the UK's largest inland dredging and environmental marine contractor
- Augean, which operates 22 waste services sites across the UK
- Rothen Group, leading waterway engineering and maintenance experts
- MVV Environmental, which operates four Energy from Waste and Biomass facilities in the UK
- Ebsford Environmental, leading river restoration and flood management group

Speaking this weekend, Richard Ballantyne added: “This change to landfill tax, which was buried alongside the Budget, seriously undermines the Government's growth plans. Major port and waterways projects are planned, but they will have to be delayed, scrapped or

reviewed because of the additional financial burden. Ministers need to act fast and ditch this tax before it damages their plans for growth and building the renewable energy industry in port regions."

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Notes to editors:

About the British Ports Association

The British Ports Association is the national trade association representing almost every port in the UK. BPA members operate over 400 ports, terminals and marine facilities, handling 86% of the UK's port tonnage.

Letter

The letter can be found as an attachment on the email.

The proposed reform

- Dredged materials from waterways – particularly ports, rivers and canals – often contain contaminated materials
- To remove this waste, the dredgings need to be dehydrated to make sure they are safe for disposal – there is rarely, if ever, sufficient space or a suitable environment for this to occur naturally near the site
- Hazardous ash residue – a stabiliser - that is a byproduct of creating renewable power at Energy from Waste and Biomass plants is used to treat the dredgings
- Used together, contaminated materials and hazardous ash are neutralised, meaning that they can be safely stored in specially engineered facilities that are landfill in name but far more secure and sophisticated than a typical site
- The process is currently exempt from landfill tax, acknowledging that this is a necessary treatment for hazardous and contaminated waste that removes environmental risk
- However, the Government proposed removing the exemption from landfill tax for stabilisers used in dredgings from 1 April 2027
- This was confirmed in the Treasury's response to the Consultation on Reform of Landfill Tax in England and Northern Ireland, which was published alongside the Budget in November
- This was despite strong opposition to the proposal, as acknowledged by the response – for example:
 - *Respondents said that dredging operations may become unviable if tax were charged on stabiliser material or might result in virgin aggregates being used as a stabiliser*
 - *In terms of impact on dredging activity, just over half of respondents said the proposal would reduce the amount of dredging carried out by navigation and port authorities due to increased costs and uncertainty about where that material could be disposed*
- Any removal of the exemption for stabilisers will require secondary legislation, which would have to be introduced before 1 April 2027

- The tax take for the Exchequer has been estimated at just £25m a year under recent annual tonnage rates
- Industry would have to spend tens of millions of pounds in alternative methods of treating dredgings for planned projects, many of which would then be delayed or rendered unaffordable

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