

AUGEAN Parliamentary Update



*Aerial shot
of the dredging lagoon
at Port Clarence*

Augean: people, permits and sites

Augean is a key facilitator of the circular economy, providing sustainable waste management solutions for the highly complex and specialist residues that it creates. We operate waste treatment and disposal infrastructure to 22 sites across the UK.

Augean is a market leader in providing waste recycling, recovery, industrial services and disposal services to critical sectors in the UK such as Defence, Utilities, Renewable Energy, Nuclear and Radioactive, Infrastructure and Construction, Processing and Manufacturing, and Oil and Gas. We are seen as a 'trusted advisor' to these sectors, working closely with our customers over a long-period to deliver sustainability by increasing waste recycling and recovery rates, and delivering carbon-reduction and operational efficiencies, through long-term contracts and commercial framework arrangements.

Augean employs around 600 people and has a large technical team with more than 75 chemists, and we focus on delivering the best environmental outcomes for our customers. For our achievements for our Environmental, Social and Governance (ESG) performance, Augean has recently been recognised by the international benchmarker GRESB as 5th Globally, and 2nd in Europe among our peers.

New dredging disposal tax risks winter floods

Legislation to impose landfill tax on the stabilisers used in the disposal of contaminated dredgings will ultimately lead to more flooding, according to a new report by economics consultancy Oxera. The report acknowledges that maintenance dredging is critical for flood alleviation, safe navigation and port operations. It predicts that channel maintenance programmes will be cut because of the massive increases in the costs of dredging caused by the new tax, which will be levied from April 2027.

Despite representations from Augean, the British Ports Association, the Canal and River Trust and operators of biomass and waste energy plants, Exchequer Secretary Dan Tomlinson MP has confirmed a plan to impose landfill tax on the material used to stabilise contaminated dredgings before disposal. The handling of contaminated dredgings will increase from almost nothing to up to £300 per tonne, which equates to tens of millions of pounds for major dredging projects.

Augean receives wet contaminated dredgings from the port, canal and river network at its permitted engineered storage lagoons at its sites at Port Clarence in Teesside, and Kings Cliffe.

in East Northants. Dehydration of wet dredgings before disposal is required under the law. By using APCrs (Air Pollution Control residues), one contaminated waste is currently combined with another contaminated waste. The new tax regime will impose landfill tax on the disposal of APCrs and so raise the cost of contaminated dredgings disposal. Dredging projects will become unaffordable, restricting the navigation of our ports and inland waterways, creating a risk of flooding.

The decision to impose the new tax conflicts with the Government plans to strengthen maritime infrastructure and support the regeneration of UK ports. Many coastal and regional economies will now face constrained investment, lost construction jobs and weaker local and economic growth. The effect is very pronounced in ports and estuaries. The cost of one major project in the North East could now rise by over £20 million.

HM Treasury advise that legislation to impose the tax from April 2027 will be enacted in the Finance Bill which will be tabled in Parliament later this year.



The Environment Agency's Stokesley Flood Defence Scheme in North Yorkshire. Augean managed 10,700 tonnes of dredgings at its treatment facility to process wet silts, dehydrating the dredgings with stabilising APCr to make suitable for disposal.

TIMELINE: Origins of the Landfill Tax Exemption for Dredgings and Stabilisers

1996 - When the Landfill Tax was introduced through the Finance Act in 1996, there was a conscious decision to exempt contaminated dredgings material taken from water and this was given effect through Section 43 of the Act. This was to ensure that ports, harbours and navigation routes could be maintained. It was recognised that making such dredged material subject to the Landfill Tax would create a perverse incentive to abandon dredging of maintain navigation routes and ports and that would have severe consequences for the UK economy.

2007 - There were growing concerns about the impact of liquid waste entering landfill and so a ban on liquids was introduced. It introduced an express requirement that water either be removed or that other material be added to dredgings to dehydrate them. The 2007 Landfill Tax (Material Removed from Water) Order 2007 added a new subsection (5) to Section 43 of the Finance Act to make clear that material added to dredgings as

a stabiliser (in order to render them not liquid waste) would also qualify for the Landfill Tax exemption.

2021 - In November 2021 HM Treasury issued a call for evidence on Landfill Tax reform.

2023 - In its summary of responses in November 2023, no change was proposed on the exemption relating to dredgings and stabilisers.

2025 - In its most recent consultation on the exemption in April 2025, the Government set out its intention to effectively repeal the 2007 Order. It sought to portray the use of materials to dehydrate dredgings as a "loophole" as if it were a legislative oversight or a drafting error. This is not correct. The 2007 Order was consciously introduced as a stand-alone Order explicitly to permit the use of materials to dehydrate dredgings, and it was done for the very clear intention of protecting the original exemption for materials removed from water and with

the very precise purpose of protecting ports and navigation routes which are so essential to the UK economy.

In its response to the 2025 consultation, the Government conceded and highlighted that respondents had raised concerns about this change, that it would add costs both to Energy from Waste and Biomass plant operations, Local Authorities and those responsible for ports, canals and rivers, and respondents also highlighted concerns about the speed at which the change was being introduced.

2026 - The concerns raised during the consultation have been set aside and the Government has confirmed its intention to impose landfill tax on stabilisers used to treat dredgings as early as 2027. This decision creates clear risks on the ability of ports and those responsible for inland navigation routes to maintain those assets in a cost-effective way with damaging consequences for the economy and the environment.

British Ports Association leads calls for landfill tax reversal

The Chief Executive of the British Ports Association Richard Ballantyne wrote to Dan Tomlinson MP, the Exchequer Secretary to the Treasury in December, regarding the changes to landfill tax exemptions announced in the budget, which will affect the renewal and investment of ports.

The British Ports Association and its members own and operate over 400 ports, terminals and port facilities, accounting for 86% of UK port throughput, 100% of all passenger movements, all the UK's main energy-related ports, as well as many more. It has partnerships established with the rivers, canals, waste management and renewable energy sectors.

In the letter, dredgings were outlined as playing a key part in the restoration of ports in our country; they help clear the waterways for vessels and prevent flooding of the surrounding area. With the changes announced in the Budget, there is a significant risk of industrial projects collapsing, undermining the Government's commitment to boosting growth, economic stability and net-zero. Ports are seen as a priority sector of the National Wealth Fund and the protection of jobs, especially for the North-East.

Richard Ballantyne has called on the Government for failing to fully recognise the unintended environmental and economic consequences and has welcomed a meeting with them to discuss the mentioned concerns

The River Tees RoRo dredging project

