

# The Red Diesel Debate

February 20th, 2006.

In the January/February issue of *Cranes & Access*, our comment covered the fact that the UK treasury is aiming to withdraw the use of rebated red diesel in vehicle mounted aerial lifts, but retaining it for cranes. We posted a letter from Scott McCall of Nationwide, on *Vertikal.Net* which then spurred a response from IPAF and others. We reproduce those letters here to kick off what we hope will become a regular readers letters page.



17 February 2006

Dear Sir,

At present, truck-mounted access platforms and mobile cranes are permitted to use red diesel which does not carry such a heavy tax burden as the white diesel used in road-going lorries, buses and cars.

Because they are designed to be primarily used on site, cranes and access platforms are classified along with other construction plant and agricultural vehicles and hence qualify for the cheaper fuel, which is dyed red to discourage its illegal use.

Nationwide Access went to court in 2000 to reverse a decision by HM Customs & Excise to prevent us using red diesel. We won that case, but now the Government has announced plans to ban the use of red diesel in truck-mounted access platforms. The Treasury proposes to remove a number of vehicle types from the red diesel category in the 2006 budget, although the operators may be given up to 12 months in which to comply.

Our truck-mounted access platforms only use the public highway when travelling to and from the worksite and as such are not primarily intended for road use. An analysis of our operators working hours during 2005 showed that 90% of their time was spent working on site therefore there is no logical justification for banning the use of red diesel.

White diesel carries an additional Hydrocarbon Duty, which means it costs roughly 65 pence per litre more than red diesel. Our current operated hire rates are calculated with the vehicles running on red diesel and with such a significant increase in costs it is not possible for the hire company to absorb them. It is therefore inevitable that these costs will be passed on to the end-user, which will mean an estimated increase of 20% per hire.

Powered access use has increased rapidly during the past few years, many industries now depend on it and their end products and services are priced with its use included. But this growth hasn't just been in construction, for example the mobile telecommunications industry spends around £10 million per year on powered access equipment for infrastructure expansion and maintenance. A 20% increase on this is significant – and that is before you look at their use of other plant that could be affected.

With the ever increasing use of 3G mobile phone technology, the coming years will be a busy time for telecommunications infrastructure work, and the mobile providers will simply pass any increase in installation costs straight to their customers - that's you and me.

However, my greatest fear is not the cost being passed on, but that these cost-hikes could undermine the government's own safety agenda: If it gets too expensive, people will be tempted to find other ways of working at height, which would undermine everything that The Work at Height Regulations (2005) have done to encourage people to use the most suitable method of access for every job.

Even though steps, ladders and scaffold towers are sometimes cheaper than powered access, many access users from a variety of business sectors are now putting safety before cost. My greatest fear is that the ban on the use of red diesel won't help to encourage that trend, but it might help to reverse it.

**Scott McCall**

Marketing Manager  
Nationwide Access

Dear Editor,

Scott McCall's letter about red diesel and vehicle mounted platforms is absolutely correct. If VMPPs are prevented from using red diesel then other forms of temporary access will benefit and the HSE's hard work on preventing falls from height will be seriously undermined.

IPAF has held meetings with Treasury officials and is lobbying both Her Majesty's Revenue & Customs and the Health & Safety Executive to ensure that this penny pinching measure is not implemented. A very small number of vehicles will be affected by the proposed change and evidence presented to HMRC suggests that less than £1 million of additional revenue will be raised. The unintended side effects of the move could, however, be grave with cranebaskets, fork lift trucks, temporary stages and other unsuitable equipment becoming much more cost effective than purpose designed, safe, powered access.

Vehicle mounted platforms use the highways to reach the job site and should be allowed to use red diesel.

Yours faithfully

**Tim Whiteman**

Managing Director  
International Powered Access Federation

February 24th, 2006.

Dear Leigh,

I read with interest Tim Whiteman's letter regarding "Red" diesel and the benefit to the Revenue of a piddling £1,000,000.00 pa.

Has anyone calculated the cost of investigating accidents at height, which could/will increase, if unsafe methods of access are used in an attempt to reduce costs...!

A single death on the road costs "£1,000,000.00 to clear up and investigate being Highways Agency figures. What is the cost of a death on a construction site(?), perhaps the HM Health & Safety Executive should be asked the question.

Food for thought.

Regards

**Bill Green**  
PLC Sales

The UK budget will be announced by the chancellor on March 22nd, the final decision on this issue will be announced then.