

Industry slams levy optimism

Both the Quarry Products Association (QPA) and the British Aggregates Association (BAA) have attacked the Chancellor's upbeat assessment of the impact of the aggregates levy in his Pre-Budget Report (PBR).

According to Gordon Brown's evaluation, the levy has prompted a fall in the use of virgin aggregates and an increase in the use of secondary materials. Slate waste and china clay sales have also increased. Another positive result, he says.

The impact on the environment of implementing the levy has been "...reductions in noise and vibration, dust and other emissions". Incidences of loss of amenity and damage to wildlife habitats have also fallen, claims the Treasury report.

Both bodies question the assertions made by the Chancellor. Customs and Excise's full evaluation of the impact of the aggregates levy will be published before the March Budget, says the Treasury, but the QPA questions its usefulness.

"This evaluation is not an independent exercise. It is being carried out by Customs and Excise, part of the Treasury. This raises an interesting question. How objective an evaluation can we expect?

'After all, a turkey would not vote for Christmas," the QPA's director of economics and public affairs, Jerry McLaughlin, told **MQR**.

He accuses the Government of "making no real attempt" to assess the overall environmental impact of the levy - an assertion the Treasury denies - nor to distinguish it from other legislative or regulatory measures.

"The Treasury's own tests of good environmental taxation require that 'economic instruments must deliver real environmental gains cost effectively.' The aggregates levy fails this test," he says.

Peter Huxtable, secretary of the BAA, told **MQR** that the PRB was a case of "selective hearing". The trumpeted fall in virgin materials comes from a stripping back of public investment in roads. The real drivers for change are three-fold.

"All the research shows that the primary driver is Landfill Tax strongly supported by the development of mobile recycling equipment and the increased cost of transport," says Huxtable.

The levy gives an unfair advantage to levy-exempt shale and slate producing quarries, he argues, and while quarry sales may have fallen because of the levy, extraction has remained level as recycled aggregates are not suitable for all purposes.

There is also the problem of growing by-product mountains "Grants from the levy are not available to re-process the millions of tonnes of quarry by-products such as scalpings now building up in aggregate quarries all over the country.

"We need an independent review on the effects of the levy," says Huxtable.

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