

From MQR – e-weekly

Tories meet aggs bodies for levy weakness probe

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Shadow Treasury Minister Justine Greening has held talks with both Simon van der Byl of the Quarry Products Association (QPA) and Richard Bird of the British Aggregates Association (BAA) in a bid to find weak points in the aggregates levy, *MQR* has learned.

A recent Treasury Commons Committee report slated the Government's record on environmental taxation accusing it of not focusing enough attention on areas that would bring about larger scale shifts in behaviour. The aggregates levy was one tax earmarked by the report.

It stated: "[The levy] is relatively insignificant in financial terms, and in terms of changing behaviour, when compared with the major fuel and energy taxes." Now the Conservatives appear to be securing further ammunition to use against the currently weakened government in terms of environmental taxation.

Richard Bird of the BAA told *MQR* his meeting had been very useful: "We spoke at Portcullis House for about two hours. It was very fruitful. The idea was that for the Tories to debate the issue of the levy they needed to understand it first. I pointed out its many inconsistencies and that it was not a true environmental tax."

The Government maintains the levy is having a positive environmental effect by lowering primary extraction rates. However, its assertions are contradicted by the latest aggregates levy bulletin from Her Majesty's Revenue and Customs.

This shows 20million tonnes growth in taxable tonnage being extracted between the calendar years 2006 and 2007, leading to a total tonnage growth of 28million tonnes. In the past three Budgets the Treasury has chosen to use 2001-2005 figures to stress its case.