

# Suppliers slam Brown's view of Aggregates Levy

- Treasury criticised for claiming environmental success from 'perverse' market distortion.

by Paul Howard  
The Quarry Products Association (QPA) and the British Aggregates Association (BAA) have slammed the Chancellor of the Exchequer's upbeat depiction of the environmental benefits of the Aggregates Levy in his Pre-Budget Report.

According to the QPA, the Treasury's "spurious claims" about the environmental effectiveness of the levy are based on spin rather than substance. The association criticised the three indications cited in the report as evidence that the levy is meeting its goals, pointing out the alleged reduction in the production of

primary aggregates was in fact a reduction in sales.

"This is a critical distinction as the levy has generated greater stockpiling of lower quality aggregates - in effect the by-products of extracting higher quality materials - as these are less saleable with the additional levy cost. Sales have fallen, but extraction has declined by a smaller amount," explained QPA director general Simon van derByl.

BAA executive officer Richard Bird said: "The statistics fail to show that although quarry sales may have fallen due to the levy, the quantity extracted has not decreased, as recycled aggregates

are simply not suitable for use in the majority of applications.

"The Treasury implies the continuing fall in the use of virgin aggregates and the parallel increase in the use of recycled and secondary aggregates are due to the levy. If the Treasury genuinely believes this, it clearly demonstrates its continued inability to understand our industry," he added.

The QPA also pointed out the much-trumpeted growth in the use of recycled aggregates was part of a well-established trend before the levy was introduced, and that a 65% increase in sales of

levy-free slate was simply substi-

tuting one extracted material for another. "This distortion of the market is environmentally perverse, and not a basis for claiming the levy is operating successfully," van der Byl said.

The Treasury's assertion that it is carrying out a thorough evaluation of the levy is disingenuous, he added.

"In practice, this is an internal exercise, which the Pre-Budget Report makes clear will reach a pre-ordained conclusion that the levy is operating successfully. This is not an objective or a transparent process, but a means of whitewashing the real environmental issues," he said.

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