

## Government report confirms lack of environmental evidence for aggregates levy

IN last month's Budget the Chancellor ignored increasing calls for the abolition of the aggregates levy and instead opted to freeze the tax at the same rate as last year (£1.60 per tonne), despite what industry claims is a compelling lack of evidence to support its claimed environmental benefits.

Echoing the content of December's Pre-Budget Report, the Treasury specified 'reductions in noise and vibration, dust and other emissions to air, visual intrusion, loss of amenity and damage to wildlife habitats' as being products of the levy.

However, three years after its introduction, the Quarry Products Association says the Government has yet to produce a single piece of

evidence linking such environmental improvements to the levy.

The QPA says this lack of evidence was further compounded just prior to the Budget with the release of the Department for Transport's new strategy on The Sustainable Distribution Fund, within which it is stated that '[the levy] does not tackle the environmental impacts directly'.

Simon van der Byl, director general of the QPA, said: 'Given the continued inability of the Treasury to produce any meaningful environmental evidence in support of the aggregates levy and the frank admission of the DfT that the levy is having no direct environmental impact, the QPA is dismayed that **the**

**Treasury has** not taken steps towards abolishing this unnecessary and ineffectual tax.

'It is now clear to everyone that this emperor has no clothes. As a matter of urgency the Government should set out a timetable for withdrawing the levy, and focus instead on policies which make a real contribution to the sustainability of the sector.'

Meanwhile, in early February the British Aggregates Association submitted to the Treasury an independently researched report on the trends in aggregates markets since 1990 with particular reference to the market drivers, the use of secondary **products** and the impacts of

the aggregates levy.

Among its findings, the report concludes that the aggregates levy has had limited impact on material use and has created perverse environmental effects with a rise in illicit quarrying, a build up of unsaleable aggregate by-products and an increase in road transport movements.

BAA director **Robert** Durward commented: 'It is now abundantly clear that the levy has failed to achieve its stated environmental aims and that it has merely caused the necessary by-products **of** primary aggregates to be replaced with untaxed materials from less efficient industries. The levy should be withdrawn without further delay.'