TO: UK Government Aviation Tax Reform consultation - <https://www.gov.uk/government/consultations/consultation-on-aviation-tax-reform>

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**SUBMISSION TO UK GOVERNMENT CONSULTATION ON AVIATION TAX REFORM**

This submission is from the Cowley Area Transport Group, an informal network of people concerned with various aspects of transport who are based in Oxford. CATG is not a membership organisation. The Group draws upon the work of other transport-related groups within Oxford, and such academic, campaigning and statutory materials as seem appropriate to advocate a wholly sustainable transport system.

**Comments on consultation document**

**Executive summary**: CATG does not support the unexplained assumptions that Union and regional connectivity need enhancing by providing support to civil aviation. Passenger flights are inherently unsustainable when using conventional aviation fuel and when using biofuel which creates an avoidable form of land use.[[1]](#footnote-1) Rather than the nebulous idea of connectivity, which the consultation document neither defines nor justifies, we favour eco-tourism being strengthened throughout local government units in the UK, meaning that the need for additional means of mobility is kept down by the importance of local and regional use of existing and, where desirable, new facilities. Mobility, like connectivity, is open to many questions.[[2]](#footnote-2)

As a general point, CATG supports a ‘just transition’ from the excessive, noisy,[[3]](#footnote-3) polluting and Climate threatening expansion of current aviation to an all-electric civil aviation sector.[[4]](#footnote-4) The current sector should not be part of a recovery from the Coronavirus. We judge that alternative employment should be considered in those areas with concentrations of aviation industry related workers, in favour of those areas where an all-electric sustainable aviation sector may be based. A Green New Deal is an appropriate context in which to base such a strategy.

This consultation document is exceptionally poor in recognising the current context and its implications for the future. With more people working at home, and far more use of *Zoom, Microsoft Teams* etc., any aviation expansion assisted by diminished taxation is open to question on grounds of viability and, simply, whether it is realistic at all. Secondly, the Government’s inept discouragement of use of public transport has led to increasing traffic in some regions above lockdown levels. Resources should go towards making buses, coaches and train fares far cheaper with a rapid full electrification of these technologies. Encouraging more flying through cutting APD is an anti-Climate measure. As the *New Economics Foundation* has recently reported, it is not possible to expand airports without negative climate impacts.[[5]](#footnote-5) It will add to noise and air pollution around airports. It has the potential to led to job cuts in the bus/coach and rail industries and cuts in some services. Communities afflicted in this way are unlikely to appreciate this. There is also a basic question about whether UK regions will benefit from lower APD and more flying, if actually achieved.[[6]](#footnote-6)

**Section 1.1** A zero emissions UK by 2050 would be one with no emissions from flying. Therefore a ‘fair’ tax contribution from aviation would be much larger than at present – first to eliminate any taxpayer subsidy (including surface transport infrastructure maintenance/creation which supports airport operations) and second, to place the aviation sector under exceptional pressure to provide electric aircraft using renewable sources of electricity only. Hybrid aircraft using features of airships might contribute to a highly desirable VTOL civil aviation fleet in the long-term, and in consequence to far less land use for airports. For consideration of this issue in a European context, see:[[7]](#footnote-7)

**Section 1.2** Since international flights are required by IATA not to be covered by an aviation fuel tax, it is appropriate to place VAT on air tickets,[[8]](#footnote-8) perhaps maintaining exemptions as already apply in the case of some tricky domestic routes for APD. If APD is only raising about £3.6bn a year, then this does not eliminate Government subsidies to civil aviation. If we accept that subsidies, also seen by some as tax breaks, are running at about £10bn per year in the UK, then VAT on air tickets and raised APD should eliminate the gap.[[9]](#footnote-9) However, the Government has decided to use the C Virus crisis as an alibi for subsidising airlines rather than taking the opportunity to cut aviation emissions.[[10]](#footnote-10) We cannot see how this helps the struggling UK tourism and hospitality sectors, since more emphasis on cheap flights will mean a continuing emphasis on overseas holidays in practice, we judge. It certainly does not help in the Climate Emergency. The Government should also consider how expanding aviation in the South East particularly would assist in addressing the issue of potentially crowded airspace, amongst other disadvantages.[[11]](#footnote-11)

**Table 1.A** Current rates of APD are too low and should rise to eliminate all subsidies and tax breaks. Given the use of communications technologies for international business meetings and academic events, as examples, there is a case for stopping claims of air fares as a business expense until such time as aircraft are wholly electric and the electricity they use is purely from renewable sources. Related to this, we favour a 50% cut in rail fares to push up rail use and as a help to discourage domestic flights in particular.

**Section 1.6** Travel by road and rail in the UK requires cheaper coach and rail fares. As part of discouraging road use by car especially, a general re-opening of disused rail lines should occur, with new tunnels or bridges to surmount any obstacles that have become a problem with the passage of time. We are sympathetic to a Strategic Economic Evaluation, accompanied by a Strategic Environmental Assessment, of potential bridges or tunnels, for rail and road use preferably, between the Scottish mainland and islands. For a comparative evaluation, the experience of connecting Denmark to its islands may be instructive.

**Section 1.7** Assertions of economic growth at airports raises questions about the variable histories of regional and local airports in the UK. Apart from environmental impacts[[12]](#footnote-12), there are a variety of serious economic problems associated with airports.[[13]](#footnote-13) Noise, air pollution, Climate Change, damage to domestic tourism and to the potential of eco-tourism are all economic-related reasons to question airport growth and subsidies.[[14]](#footnote-14) The civil aviation industry also has a history of over-claiming the employment it creates.[[15]](#footnote-15) There are generally unquestioned and unstated assumptions about ‘exporting’ the benefits of tourism, and about choosing to airfreight goods into the UK which could be produced here and provide employment.

**Section 1.8 and Chart 1.B** Optimism about the implications of cutting APD and/or expanding airports should be tempered by Chart 1.B showing cuts in domestic flights during 2005-20. For the civil aviation sector, when a full economic recovery of the industry occurs may be a matter of concern. However, the Coronavirus could well produce long-term reductions in flying since the opportunities offered by communications technologies mean that flying for business or academic reasons may well trend downwards.

**Section 1.9** This section can be considered to be advocacy against the UK tourism and hospitality sector. The idea that enhanced domestic ‘connectivity’ should be about assisting global ‘connectivity’ for civil aviation is really bad news for a sector struggling to come out of crisis. The Government should be concerned with rebuilding UK tourism and ensuring it is made far more sustainable, not least in terms of its transport links.

**Section 1.10** Bringing UK greenhouse gas emissions to Net Zero by 2050 requires a plan which many bodies assert the UK Government does not have.[[16]](#footnote-16) The Government has a general problem of not meeting its environmental targets or even actually planning to do so.[[17]](#footnote-17) Since it is accepted in the consultation document that the emissions from aviation will rise as a proportion of all emissions, the Government has to advance policies which will radically cut emissions from aviation both domestic and international. Cutting APD clearly goes in the wrong direction, in fact currently contradicting the idea that the Government intends to meet its own Climate goals.

**Section 1.11** The idea of ‘sustainable aviation fuel’ requires evidence that no land use will be involved, as a rising global population means using land judiciously to feed people, apart from obvious needs for addressing the Climate Emergency, rewilding and the conservation and extension of biodiversity. This should include cutting UK food imports. We are concerned that ‘carbon offsetting’ is about keeping polluting industries going rather than engaging in radical cuts in emissions which are particularly needed in the whole UK transport sector, the biggest source of UK domestic emissions and a substantial contributor to UK-related emissions from international aviation, shipping, and imports including via the Channel Tunnel.

**Section 1.13** Bearing in mind the importance of deep cuts in carbon emissions, we favour re-use of airport sites for sustainable purposes, especially those which have long histories of being economically marginal. In Kent, Manston and Lydd are certainly in this category, as examples. Training to fly aircraft does not require the numbers of airfields and airports currently in operation. Alternative employment uses, or housing, may be considered for such sites – especially if this can be attained without generation of traffic through judicious use of car free covenants, bus and rail connections, and careful provision of local services in new communities. Such developments should not lead to any suggestions of increasing the scale of road infrastructure, in a country with a c14 year backlog of road repairs.

**Section 1.14** The Government should set itself a goal of diminishing flying which uses conventional aviation fuel and setting realistic goals for the civil aviation industry to use electric aircraft only. It is only by this sort of pressure that a cosseted and heavily subsidised industry will become sustainable over time.

**Section 2.2** The devolved parts of the UK may well prefer their own direct air passenger links to Europe over having to rely on domestic aviation connections. This applies particularly to Scotland, not least since the probability of its independence has risen.

**Section 2.4** Increased air passenger ‘connectivity’ within the UK presumes working at home and meetings using available communications technologies will not continue to be favoured by people who might have flown before. The Government is simply not up to date on this, or is listening to dated voices in the civil aviation sector.

**Sections 2.7-2.8** The return leg exemption on APD should not exist. The Government objective should be aiming to reduce domestic flights.

**QUESTIONS**

[text of questions shortened – see original document, link at beginning of submission, for full text of questions]

1. *Do you agree with the government’s initial position that the effective rate of domestic APD should be reduced?*

No. To achieve lasting radical cuts in conventional civil aviation, Air Passenger Duty should rise to a level which eliminates all subsidies and tax breaks. The Government should aim to raise about £10bn per year through APD and raise it further if flying by conventional aircraft increased. Climate, noise and air pollution have health, economic and environmental impacts from aviation. For these reasons, civil aviation in its current dominant form must be curtailed through increased APD.

1. *What evidence can you provide about the impact of an effective reduction in the domestic rate of APD on Union and regional connectivity?*

Submissions against airport expansion in the UK in general provide evidence that increased passenger flights should be stopped and that a return to pre-Covid 19 conditions should not be contemplated. ‘Connectivity’ is neither defined not justified in the consultation document. Experience of Covid 19 demonstrates benefits from local access to facilities within communities. Devolved administrations and local government should have a larger share of overall taxation and determine in more detail how they meet improved Climate and ecological emergency targets, and how best to encourage the expansion of the Green economy throughout the nations and regions of the UK.

1. *How would a reduction in the effective rate of APD affect airlines? Will the benefits be passed on to consumers in ticket prices or retained by airlines?*

If APD is reduced, the most likely result is a flurry of special pleading by airlines for even more State support. Having a polluting industry maintained through the Coronavirus crisis may have already created an appetite for more subsidies. This may well apply in a variety of sectors and needs rigorous tests of value against short-term and medium term Climate and ecological emergency goals, and UK Sustainable Development Goals. Efficiency, full electrification of aircraft and an end to all of the negative effects of civil aviation must be paramount considerations. Consumers are citizens adversely affected by aviation already, as noted above. Any civil aviation expansion is to be stopped in favour of contraction and a just transition of this polluting industry into a smaller, actually sustainable industry of the future. There are no ‘benefits’ for the public of aviation expansion stimulated by APD cuts, only disbenefits including a warming Climate. Given the long-term tendency in the UK of Board level/higher level executives in companies receiving immense pay increases in many recent years well above the rate of inflation, it is highly likely that any growth in revenue resulting from cutting APD would end up disproportionately in the pockets of people already very highly paid.

1. *Which domestic air routes, if any, are likely to be introduced/restart following any effective reduction in the domestic rate of APD………?*

Either APD would fuel aviation expansion with all the negative environmental and economic effects noted above, or the overwhelming pressure to work at home, and to save work time from flying by using communications technologies instead would negate APD cuts. Given confusion and contradiction in Government Climate policies, no clear end to the global Coronavirus crisis, and unknown long-term effects on working patterns globally, it remains difficult to judge what will occur. What Government should do is to cut aviation emissions to force the adoption of all-electric civil aviation, as part of the creation of a Green economy fit for the 21st century.

1. *Which domestic air routes, if any, would benefit, from an increased number of services………..?*
2. *By how much would you estimate that the number of passengers currently flying domestically increase?*

See answer to Q.4.

1. *What could the environmental impact of reducing the effective domestic rate of APD be? How could any negative effects be mitigated?*

Noise, air pollution, additional contributions to greenhouse gases, additional traffic to airports are amongst the potential negative effects of cutting APD, if successful in increasing flights. Negative effects of civil aviation already exist and should be mitigated by raising income from APD to at least £10bn per year to reduce flying, with increases in APD should any expansion in flights occur. We are currently decades away from sustainable civil aviation with no negative environmental impacts from flying or from cultivation for biofuels.

1. *What could the impact of reducing the effective domestic rate of APD be on other modes of transport (e.g. road/rail)?*

If flights increased, so would road traffic to airports when major cuts in transport emissions are needed to meet Climate goals and the public health goal of eradicating air pollution from transport. The regeneration of rail needs to be accomplished by cutting rail fares by 50% as an immediate step, and re-opening disused lines with full electrification of railways.

1. *If the effective rate of domestic APD is reduced, would you favour the introduction of a return leg exemption…………………..?*

No. The Government should commit itself to emissions free civil aviation and the prevention of land use for biofuels for aviation.

Q.11-15 on return leg exemption issues, see answer to question 9.

Q16-18 on a new domestic band in APD that would be lower than at present.

We are opposed to cuts in APD, or any extension to the limited exemptions to APD on some existing difficult domestic routes.

**Section 4.2** There are some problematic pieces of evidence in this section. Aviation may, in terms of its emissions, account for about 8% of UK Greenhouse gas emissions. However, each airport according to its size is also responsible for the private transport and public transport each of these sites generates, including that of its employees. So, cutting APD, if it led to increased flights, would also add to ground-level emissions from surface transport associated with particular airports.[[18]](#footnote-18) Since aviation emissions have doubled since 1990, it is reasonable to expect appreciable increases in surface transport emissions too. So, increasing APD is a good approach to help reduce flying, and by doing so cut traffic emissions of journeys to and from airports, each of which needs a ‘just transition’ plan to reduce its conventional aviation activities.

**Sections 4.14-4.18** Frequent flyer levy

Given the Government’s enthusiasm for fully digitalising all trips in and out of the UK, then protestations that collecting Frequent Flyer information is too complex do not have credibility. Frequent Flyers are engaged in a form of consumption which involves large-scale greenhouse gas emissions for each individual. This behaviour is to be deterred by levying additional taxation on top of other types of aviation taxes. What this would involve, removing the clauses in this consultation document that over-stress difficulties in data collection and administration, needs to be the subject of separate consultation and legislation.

**Questions 19-24 APD distance bands**

We take the view that higher APD bands should apply for every 1000 miles above an initial 2000 miles.

*25. Do you agree with the Government’s assessment that APD should remain as the principal tax on the aviation sector? Would you propose any alternative tax measures which could further align the aviation tax framework with the government’s environmental objectives?*

No. We support putting VAT on air tickets to move away from the idea that environmentally-damaging flights should be ‘cheap.’ We also support the introduction of a Frequent Flyer levy. This would be coupled with roughly tripling APD so that subsidies/tax breaks made to civil aviation for its operations are removed. \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

1. On this topic see Oakland Institute – Eco-Skies: the global rush for aviation biofuel: <https://www.oaklandinstitute.org/sites/oaklandinstitute.org/files/OI_Report_Eco-Skies.pdf> [↑](#footnote-ref-1)
2. John Whitelegg – *Mobility,* 2016. [↑](#footnote-ref-2)
3. See for example: Gatwick Anti-Noise Group – response to Gatwick Airport Draft Noise Action Plan Consultation, letter of 29th September 2009. [↑](#footnote-ref-3)
4. See for approaches to this: <https://stay-grounded.org/wp-content/uploads/2020/02/Degrowth-Of-Aviation_2019.pdf> & Joint Policy proposals for a sustainable future aviation strategy, September 2014: <https://www.aef.org.uk/uploads/Aviation-joint-environmental-policy-proposals.pdf> [↑](#footnote-ref-4)
5. <https://neweconomics.org/uploads/files/NEF_Turbulence_Expected.pdf> [↑](#footnote-ref-5)
6. ‘Why airport expansion is bad from regional economies’ - <http://www.kentnet.org.uk/laag/LAAG%208%20B%20-%20Appendix%203.PDF> [↑](#footnote-ref-6)
7. <file:///C:/Users/Steve/AppData/Local/Temp/Aviation_in_a_low-carbon_EU.pdf> [↑](#footnote-ref-7)
8. This may be worth considering simply as a revenue measure, apart from the obvious benefits of cutting conventional aviation. See: <https://cedelft.eu/wp-content/uploads/sites/2/2021/04/CE_Delft_7B52_Estimated_revenues_of_VAT_and_fuel_tax_on_aviation_def.pdf> [↑](#footnote-ref-8)
9. See this source for some discussion: <https://fullfact.org/news/does-government-subsidise-airlines-10-billion/> [↑](#footnote-ref-9)
10. See: <https://www.theguardian.com/world/2020/jun/04/airlines-and-carmakers-benefit-from-uk-covid-relief-scheme> [↑](#footnote-ref-10)
11. Caroline Lucas MEP – Response to the Department for Transport’s National Consultation on the future development of Air Transport in the United Kingdom (South East Region), undated. [↑](#footnote-ref-11)
12. See: <https://www.aef.org.uk/uploads/PlanningGuide2.pdf> & <https://www.airportwatch.org.uk/the-problems/> [↑](#footnote-ref-12)
13. See for an introduction: <https://www.greenparty.org.uk/files/reports/2004/AED3.htm> [↑](#footnote-ref-13)
14. John Whitelegg – Aviation: the social, economic and environmental impact of flying, 2000: <file:///C:/Users/Steve/AppData/Local/Temp/AVIATION_the_social_economic_and_environmental_imp.pdf> [↑](#footnote-ref-14)
15. See: <https://www.airportwatch.org.uk/the-problems/#employment> & <http://www.aef.org.uk/downloads/Airport_jobs_false_hopes_cruel_hoax_March2009_AEF.pdf> [↑](#footnote-ref-15)
16. See: <https://www.bbc.co.uk/news/uk-politics-56285239> [↑](#footnote-ref-16)
17. <https://www.bbc.co.uk/news/54988317> [↑](#footnote-ref-17)
18. See on this topic: <file:///C:/Users/Steve/AppData/Local/Temp/sustainability-05-01617.pdf> [↑](#footnote-ref-18)