

Drawing up a New Aviation Policy



The new Government has an historic opportunity to be fair to other businesses and industry by ending the favorable treatment enjoyed by aviation on tax and emissions.

Published by AirportWatch, the national umbrella body of environmental organisations and airport campaign groups

Email: info@airportwatch.org.uk Tel: 020 7248 2227

www.airportwatch.org.uk January 2011

Drawing up a New Aviation Policy

Environmental organisations and community campaign groups welcome the Government's decision to produce a new aviation policy.

- The 2003 Air Transport White Paper is outdated: its plans to cater for an almost trebling of the number of passengers using UK airports are inconsistent with targets to cut CO₂ emissions; it overestimates the economic benefits of aviation; it underestimates the impact of noise.
- The new Government has a chance to draw up a new aviation policy that is based on hard evidence; not just on the aspirations of the aviation industry.

Aviation and the Economy

The aviation industry should no longer be treated as a special case.

- Aviation's privileged position cannot be justified by its contribution to the economy. It only contributes just over 1% of Gross Domestic Product (1). Yet, it enjoys tax-free fuel; pays no VAT; is being asked to meet less stringent CO₂ targets than other industries; and is exempt from laws covering other noise issues.
- Although there is no question of the importance to the economy of a competitive aviation industry and of the value to UK of being well-connected to the rest of the world, there can be no justification for the subsidies aviation receives – in the UK alone over £10 billion a year (2) - particularly at a time when governments are under huge pressure to cut deficits,

The new Government has an historic opportunity to create the climate where the aviation industry competes in the market on the same terms as other industries.

We welcome the new Government's commitment to promoting alternatives to domestic and short-haul flights, such as rail and video-conferencing. We would stress the importance of rail being affordable to the bulk of the population.

We are calling on the Government to:

1. Carry out an independent assessment of aviation's contribution to the economy to inform its new policy.
2. Impose VAT on domestic flights; initiate moves within Europe for VAT to be paid on all flights; and seek agreement with other countries to tax aviation fuel (3).

3. Commit to an annual rise in Air Passenger Duty and introduce a noise levy on planes landing at airports (to deter short-haul trips).

Earmark a proportion of the tax revenue raised to:

- assist the private and public sectors establish a dense national network of video-conferencing suites;
- reduce the tax burden on the UK tourism industry;
- stimulate investment in green and climate jobs;
- allow, if practicable, each citizen one tax-free return flight a year – in effect redistributing resources from wealthier people, who fly the most and therefore contribute most of the taxation, to the less well-off.

Aviation and Climate Change

The aviation industry should no longer be treated as a special case.

The Committee on Climate Change, the Government’s advisers, concluded in their 2008 report that aviation emissions “will become an increasingly significant share of total CO₂ emissions, both because aviation emissions will increase over time and because total allowed emissions will fall (4).” They estimated that the UK’s target to cut overall emissions levels by 80% from their 1990 levels by 2050 could allow aviation emissions to remain around their current levels by 2050 if there were “deep cuts in other sectors.” If that happened, by 2050 aviation would account for 25% of all UK emissions, (up from around 6% at the moment). Other experts, such as the Tyndall Centre for Climate Change, put it significantly higher.

To allow aviation emissions to remain at current levels in 2050 would require “deep cuts” elsewhere

What on earth is so special about the aviation industry that it can have this special permit to pollute?

The new Government has the opportunity to play fair to the rest of British business and industry by creating much more of a level playing field.

We are calling on the Government to:

1. Frame its new aviation policy in terms of its impact on climate change. That will require as much co-operation as possible with other countries, particularly with those in Europe. Tougher, more realistic emissions targets for aviation are not inconsistent with aviation contributing to a successful economy: they need not rule out a connecting network of key long-distance flights; they would reduce the considerable costs of climate change; and they would assist virtually every other sector of business and industry.

Noise

The aviation industry should no longer be treated as a special case.

The 1985 Civil Aviation Act exempts aviation from all other noise law. This gives people under a flight path far fewer rights than if their neighbourhood was polluted by just about any other form of noise. This needs to be looked at again.

The new policy is an opportunity to update policy on aircraft noise.

- The 2003 Air Transport White Paper spurned the chance to update noise policy. The result is that current policy is largely based on research carried out 30 years ago when there were half the planes using UK airports than today.
- The last comprehensive noise survey, carried out in 2001, found that 3.5 million people in the UK are disturbed by aircraft noise (5).

We are calling on the Government to:

1. *Frame noise policy around the central problem: the huge increase in the number of aircraft.* It is this which has resulted in record levels of noise disturbance.

2. *Target short-haul flights.* Without the growth in short-haul flights over the past 15 years, aircraft noise would not have become a problem across whole swathes of the country. It is as simple as that. Yet short-haul flights are not an inevitable fact of modern life. They are products of a subsidised industry. And there are potential alternatives for many of the trips. Moreover, the growth of short-haul flights has harmed the economy: there is a direct link between the rise in short-haul flights and the burgeoning tourist deficit. They are exporting money and jobs from the UK.

3. *Target night flights.* An independent assessment is made of the economic case for night flights and a night levy is imposed as a lever to cut non-essential night trips.

4. *Promote quieter aircraft* but with an understanding that for the foreseeable future new technology does not provide the 'silver bullet' solution to aircraft noise.

5. *Improve operational procedures* - to include allowing local flexibility on whether concentration or dispersal of flight paths is the best way to improve the noise climate at individual airports.

6. *Improve noise measurements* - by introducing more accurate, up-to-date and meaningful ways of measuring it.

References:

1. *The contribution of the aviation industry to the UK economy*, Oxford Economic Forecasting (1999)
2. *Fly Now, Grieve Later*, Sewill, B. (2005), Aviation Environment Federation
3. The European Commission will be revising the VAT Directive this year and the Energy Directive, which covers fuel, by 2013.
4. *Building a low-carbon economy - the UK's contribution to tackling climate change*, Committee on Climate Change (2008)
5. *The UK National Noise Attitude Survey*, Building Research Establishment, (2001)