wanted

a rethink of UK aviation policy

airportwatch

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ReThink!

The Government set out its policy for aviation in the UK in its Aviation White Paper, published in December 2003. It outlined the biggest single programme of expansion the UK has ever seen. This leaflet outlines the policy, highlights the flaws in it, describes the growing opposition and suggests what people can do to oppose it.

What the Government is proposing

In its White Paper the Government said that it expected the number of passengers using UK airports to nearly treble by 2030, up to 490 million passengers per year.

To meet this demand the Government said that new runways would probably be required at Stansted, Heathrow or Gatwick, Birmingham, Edinburgh and most likely Glasgow. Nearly all the country's other airports would see a significant increase in the number of planes using them.

The Government will neither pay for, nor build, the runways. That will be the responsibility of the private sector.

At the end of 2006 the Government published a review of its White Paper, its so-called 'Progress Report'. It reaffirmed the expansion plans laid out in the White Paper. AirportWatch it calling for a fundamental rethink of government policy on aviation. Below we set out a way forward.

The Way Forward

1. Rein back expansion so it is consistent with climate change targets

- Aviation is the fastest-growing contributor to climate change. Greenhouse gas emissions caused by UK air travel have doubled in the past 13 years.

- Planes are not even considered in the Government's stated target to cut CO_2 by 20% below 1990 levels by 2010.

- If aviation continues to grow at the present rate, it could take up the entire emissions budget for all sectors of the UK economy by 2037 and all sectors of the EU economy by 2040.

- Engine improvements will not compensate for the predicted growth in flight numbers (and in any case the majority of the UK aviation fleet is very young and won't be replaced for more than 20 years). Major improvements are decades away - well beyond the dates by which scientists say we need to cut CO_2.

- The Government's answer is to put aviation in the EU emissions trading scheme, where airlines will have to buy pollution permits. However experts warn that, in the short term, this will only put a small amount on ticket prices and hardly affect aviation growth at all.

We need annual cuts in total carbon dioxide emissions. Aviation needs to be consistent with tough national targets to cut carbon.

2. Recognise the limits rising oil prices will put on demand for air trips

The Government is carrying on as if oil supplies will last forever. Yet there is no alternative to oil on the horizon as far as aviation is concerned.

- The Aviation White Paper assumed that fuel prices "would stabilise at $25 per barrel in real terms in year 2000 prices." This is quite unrealistic. Oil prices are rising sharply. (The current price of Brent crude oil is $70 a barrel - around $60 a barrel in 2000 prices). There is no realistic alternative to kerosene on the horizon.

- This trend may well continue as usable oil reserves decline. The only thing experts disagree on is *when* this will occur. Some believe the decline is already evident.

- The Government continues to shelter behind the argument that the continuing fall in the price of travel will ensure that passenger demand remains much as it predicted in the Aviation White Paper despite the increase in oil prices. Yet these low prices are dependent on the aviation industry continuing to receive generous tax breaks.

Aviation policy should be related to realistic forecasts of future demand of oil, with sensitivity tests showing what the impact will be if oil prices go on rising.

3. Remove the tax-breaks the aviation industry enjoys

It is a myth that it is poor people who benefit most from cheap flights.

- The tax breaks amount to over £9 billion a year, thanks to tax-free fuel and the fact that all aspects of aviation are zero-rated for VAT **(*Fly Now; Grieve Later*,** Sewill, 2005). These tax breaks simply stimulate the demand for air travel. A person on average income pays £500 a year in tax to subsidise the aviation industry (***A Poor Deal,*** HACAN, 2003).

- Air Passenger Duty contributes less than £1 billion a year to the Exchequer. It would need to be 10 times higher to make up for the tax shortfall. Air Passenger Duty was doubled in February 2007, but it needs to be increased in each budget over several years.

- It is often said that international agreements make it impossible to tax aviation fuel but, while there are some technical difficulties, these are routinely overstated. The UK could tax domestic flights tomorrow. And, as the European Commission noted, member states already have the power to tax fuel on the majority of flights between their countries. All that's required is the political will – and a number of European countries are already pressing for the introduction of a fuel tax.

- European governments also have the powers to introduce a Europe-wide Emissions Charge (where all planes using European airports are taxed according to the amount of emissions they generate).

- The Government argues that higher fares would hurt poor people. The facts don't back them up. The average annual household income of passengers using Stansted – a low-cost airport – in 2004 was £47,000 (*Annual Statistics, Civil Aviation Authority*). Most flying is done by the top 10% of income earners – often going to second homes in Europe. The poorest 10% of the population hardly fly at all. And business passengers make up 24% or less of all trips. The truth is that the revenue from sensible taxes on air travel could be used to benefit poor people in the UK.

- And, of course, it is the people in the poorest countries in the world who will be hardest hit by climate change. The rich fly; the poor suffer droughts, floods and hurricanes, and lose their homes as a result of rising sea levels. According to the World Development Movement, the average UK citizen produces more CO2 in a month than the average person in more than 50 of the poorest countries will produce in a year (*Climate Calendar, the UK's unjust contribution to climate change,* WDM, 2007).

The Government should recognise that the biggest beneficiaries of the tax-breaks the aviation industry enjoys are rich people in the rich world and the greatest losers are poor people in the poor world.

It should recognise that by 2030 it is likely that the present tax concessions for air travel will have been removed, and adjust passenger forecasts accordingly.

4. Reassess air freight

- Flying in fruit and flowers from all over the world makes no sense and damages British horticulture as domestic producers struggle to compete with cheap imports.

- Imports are artificially cheap since no tax is paid on the fuel used to transport them.

- Flying 1kg of asparagus from California to the UK uses 900 times more energy than the home-grown equivalent *(Independent* 28/5/05)

- Many aircraft become freighters once they have retired from passenger service after 25 years or more. This means the majority of freight aircraft are less fuel efficient, dirtier, noisier planes – a particular problem when freight is flown in at night, as increasingly happens.

- Air freight using UK airports has increased ten-fold in the last ten years, bringing serious noise problems to many airports, such as Nottingham East Midlands.

It is unlikely the increase in air freight would have taken place without the tax breaks the industry receives. As a start, Air Passenger Duty – or a freight equivalent - should be extended to freight. And freight should pay any environmental levy agreed at a European level, so that tax concessions enjoyed by air freight are progressively removed.

5. Reduce the noise suffered by local communities

- The noise suffered by many people around airports and under flight paths is *already* too high. And, for many, it has got worse in recent years as the sheer number of flights has off-set any benefits from the introduction of quieter aircraft.

- The White Paper does not hide the fact that the predicted increase in freight and passenger numbers will only increase the noise problems. New areas of the country, many of them relatively tranquil at present, will experience noise problems as airspace and flight paths are expanded to cater for the increased number of planes.

- The Government needs to take noise seriously. The World Health Organisation guidelines are regarded as no more than 'a long-term aspiration'. There is no way to cut current noise levels significantly other than to cut back on the number of flights using UK airports. Any developments in quieter planes are nowhere close to keeping pace with the increase in the volume of aircraft.

The EU should incorporate the WHO noise standards into its revised Noise Directive (which is expected in 2007) and to which all member states need to adhere. There should be dates by which those targets should be met. The Government should reduce overall noise levels.

6. Respect the county's heritage, biodiversity and ancient woodlands

- The expansion proposals in the White Paper threaten the character and tranquility of the countryside and would destroy significant areas of irreplaceable habitats. At least 11 ancient woodland sites would be directly destroyed by the proposals at Stansted, Birmingham and Luton alone, despite ancient woodland being theoretically protected in national planning guidance.

- There is no recognition of the wider effects that airport expansion has on important habitats. Pollution from more and more flights will damage delicate ecosystems and significantly degrade important sites. For example at Hatfield Forest, near Stansted, pollution levels will rise to more than twice the level that the EU Habitats Directive recommend in order to avoid any major changes to habitats.

- The expansion plans threaten to damage, or destroy, 44 Sites of Special Scientific Interest, 7 Areas of Outstanding Natural Beauty and 8 registered parks and gardens (*Campaign to Protect Rural England* website).

- They also would affect 49 ancient monuments and 319 listed buildings (*CPRE* website).

The Government must abandon proposals which would destroy irreplaceable and historic habitats, countryside and buildings.

7. Revisit Rail

- 45% of flights in Europe are less than 500 kilometres. That's about the distance from London to the Scottish border. About 3 hours in a fast train - the sort of time where people will not find it too inconvenient to switch from air to rail.

- The French TGV on average is attracting 90% of the traffic where the train journey is two hours or less; 65% at three hours; and 40% at four hours.

- The improved Virgin service between London and Manchester has shown what can be done. Before the service improved, 70% of people flew between the two cities and only 30% used the train. Those proportions have now been reversed (*Virgin Trains*, 2006).

- High-speed trains emit around ten times less carbon than planes (*External Costs of Transport*, INFRAS 2004), and so a rail-based system to move people and goods across Europe would be considerably less polluting than one based on air travel.

Rail would really flourish as a natural competitor to air if the tax-breaks enjoyed by the aviation industry were phased out. Given the potential of rail in reducing air travel, the review should include a serious examination of the extent to which good rail services could substitute for short haul flights.

8. Revise the economic assessment of the aviation industry

- The Aviation White Paper consistently overstated the benefits of aviation to the UK economy. Not surprisingly, really, as it was based on an Oxford Economics study, (commissioned by the Government but largely paid for by the aviation industry), which didn't consider the costs to the UK economy of the tax breaks the aviation industry receives, nor its environmental costs.

- The Government argues that expanding airports is necessary to attract more overseas investment in the UK. But the Government rarely acknowledges that air transport also attracts UK investment overseas. The difference does not work in the UK's favour. The deficit grew throughout the 1990s and has recently averaged tens of billions of pounds each year. (*United Nations Conference on Trade and Development*, 2002).

- The current balance of tourist spending - the difference between what outbound tourists from UK spend abroad and what inbound tourists spend in UK -represents a growing haemorrhage of money and jobs from the UK economy, is now £15 billion a year, and rising (*Office of National Statistics*, 2004). London is the only region in the country to show a small net benefit. Every other UK region shows huge tourism deficits, sustained by the current cheap prices of flights.

The Government's assessment of aviation's contribution to the economy, prepared in advance of the Aviation White Paper, was riddled with flaws and unduly influenced by the aviation industry.

What is required is a policy based on an independent, factual assessment of aviation's importance to the economy.

9. Review the big expansion plans for the UK airports

The Aviation White Paper is outdated. It is not realistic to expect passengers and freight to grow at the predicted rate. Nor is it desirable. There are alternative ways forward. The Government should develop a brand new aviation policy to replace the discredited White Paper.

AirportWatch

This leaflet has been written by John Stewart, and produced by AirportWatch. (March 2007)

AirportWatch is the umbrella organisation which brings together both community and national organisations concerned about airport expansion.
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