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2050
Scotland's Youth
Climate Group

Written evidence submitted by The 2050 Climate Group

Introduction

1. The 2050 Climate Group, Scotland's Youth Climate Group, aims to engage, educate and empower future leaders in Scotland to take action on climate change. Our aim is to inspire young people to get involved not only in the 2050 Group, but in the design of future policy, becoming catalysts for change to ensure a sustainable future beyond the year 2050.
2. Our Young Leaders Development Programme (YLDP) consisting of over 120 young professionals has been cited by First Minister Nicola Sturgeon as a 'world first'. The YLDP couples climate action with leadership development in an innovative programme that provides direct and tangible climate leadership experience for our generation of future leaders to enable them to lead in this way in the future, in whichever sector they work. Our programme has also received international attention, as we showcased our work with an event at COP21.
3. We are responding to this consultation due to our concerns about the inadequacies of current and proposed policies in tackling emissions from aviation, and the effect such inadequacies will have on the livelihood of our generation.
4. This response reflects the expertise of our area of work – leading the transition to a low carbon economy through educating, engaging and empowering the next generation of leaders. We aim to represent the next generation of leaders in Scotland. A key element of this is the process through which we develop our policies and positions. A baseline survey of the carbon footprint of young leaders at the outset of the YLDP revealed that 38% of total participants' emissions came from air travel, higher than any other category. In response, the 2050 Climate Group held a YLDP event in February 2016 entitled the 'Low Carbon Holiday Special', attended by around 70 young leaders. This event focused on aviation's important role in climate change, and included a workshop entitled 'Holidays in 2050: Designed by Me'. This discussion and brainstorm highlighted the current

barriers to taking low carbon holidays and envisaged potential steps that could be taken to achieve a world more conducive to holidays involving less air travel. A major barrier discussed was the relatively lower price of flying compared to other lower carbon modes of travel, such as rail. The 2050 Climate Group's position on APD was developed in response to the results of the baseline survey and by the issues raised in the above workshop. This submission was produced by a subgroup of six individuals on our YLDP. This subgroup was open for any member of the YLDP to join.

5. While there are aviation, transport policy and tax experts within our young leaders development programme, the strength of our programme comes from its diversity and perspective. Therefore, this consultation response features most prominently our position as future leaders – as the individuals who will be faced with the consequences if we do not meet our climate change targets, as the individuals who will be locked into a high carbon future if the wrong policy decisions are made now.
6. We have sought to keep this submission as concise as possible. However, if further clarity is required on any of the matters we have raised, we would be happy to provide that. In particular, we can provide further discussion in two ways: either through young professionals whose job it is and/or will be to implement policy decisions and work towards keeping Scotland and the UK on the right track for a low carbon future; but also through the cross-sectoral, inter-regional nature of our YLDP we are able to represent a broad spectrum of views from the next generation of leaders – who all agree that not enough is being done to safeguard our future and who want to be a part of changing this reality.
7. Finally, we believe that all layers of government (including the UK) should be further integrating the opinions and perspectives of our generation in decision-making in this and other policy-areas that relate to climate change. We believe this is the only way to begin to operationalize the concept of intergenerational equity.

Executive Summary

8. The proposal to reduce and ultimately remove Air Passenger Duty in Scotland will likely result in a large increase in carbon emissions. Aviation currently accounts for around 12% of Scottish transport emissions and is the mode of transport showing the largest emissions growth (Transport Scotland, 2016). While existing policies across the transport sector have generally led to a reduced environmental impact, aviation has been comparatively neglected in terms of environmental regulation.
9. It is noted that it is vital for long term progress in reducing Scotland's emissions that greater clarity and consistency is shown in government between different policy areas. The absence of such regulatory consistency and policy coherence undermines efforts across Scotland to reduce emissions.
10. We believe that the policy process currently lacks long-term perspective and vision from stakeholders invested in the success of policies 20 or more years from now. We would support the integration of young people through initiatives such as our own into the policy-making process in this area.

Q1(a): Do you agree with our strategic and policy objectives for improving Scotland's air connectivity?

11. No

Q1(b): Please explain your answer to Q1(a).

12. Improving Scotland's air connectivity through the reduction and ultimate removal of APD is predicted to result in an increase in carbon emissions, estimated by the Scottish Government's own analysis at around 60,000 tonnes CO_2e per year (Transport Scotland, 2014).
13. While we agree that improving connectivity can provide economic growth, job creation and cultural exchange, we note that the associated increase in carbon emissions is contradictory with the Scottish Government's targets to reduce emissions by 80 per cent by 2050.
14. Despite positive work in carbon emission reduction in recent years, the Scottish Government has failed to make necessary reductions to the emissions from the transport sector. Given that the transport sector accounted for 20% of Scotland's carbon emissions in 2013 (Scottish Government, 2015), a predicted additional

60,000 tonnes of CO_2e emissions from the scrapping of APD will undermine the Scottish Government's efforts to reduce national emissions in the future. This increase in emissions in the transport sector will have to be compensated by a reduction in emissions in other sectors. A report (Tyndall Centre, 2006) suggests that the UK by 2050 would have to stop emitting carbon dioxide from all other sectors of the economy in order to allow aviation to expand as forecast and still meet climate change targets. The Scottish Government should assess whether this policy is fair and practical, and produce a detailed plan stating where there will be greater emissions reductions to compensate for this increase.

15. Aviation emissions need to be curbed to help avoid dangerous climate change, and we note that according to predicted trends (Tyndall Centre, 2006) this cannot be done without tackling rising demand for aviation, which outstrips gains in efficiency and the potential for alternative fuel implementation, through to 2050.

16. The 2050 Climate Group questions whether the short term potential economic benefits of increased air traffic outweigh the long term environmental and economic damage caused by increased carbon emissions. We question the fairness of burdening today's young people with the long term economic and environmental consequences of this policy which will fail to tackle aviation emissions.

17. We also question the fairness of reducing or removing a tax for one of the least taxed industries in the world. With no tax on fuel, no VAT on airline tickets, removing APD would result in aviation being an effectively untaxed industry. With global trends recognizing a need for economic disincentives for high carbon activity, the aviation industry becoming effectively untaxed is in stark contrast to other leaders in climate change around the world who are already incorporating monetary incentives for low carbon into their economies.

18. While the objective stated in Q1 refers to air connectivity, it is noted that according to the Scottish Government's own analysis (Transport Scotland, 2014) of the effect of cutting APD by 50 per cent, more than half of the annual passenger increase would come from passengers flying within the UK. Improving connectivity within the UK can be achieved through low carbon means, such as rail and coach; both industries which are already taxed more heavily than aviation. Providing the aviation industry with additional tax breaks will further disadvantage these low carbon alternatives. The economic effect of reducing APD may reduce the popularity of these disadvantaged alternatives, particularly

rail, and may cause reduced investment in infrastructure supporting those alternatives. We feel a more appropriate objective would be to improve connectivity of low carbon travel options rather than prioritising aviation. Additionally, if demand was significantly reduced for air travel on routes where other travel options exist, Scotland's air connectivity to other destinations can be improved without an increase in emissions.

19. Finally, we are currently working with our young leaders to mainstream the idea that low carbon travel should be a priority in decision-making. Our generation is urgently concerned about climate change - we have seen this consistently in our work and engagement with young people in Scotland. We would encourage the Scottish Government to consider the values and priorities of the future users of the aviation industry, our future leaders. The trends that we are seeing are diametrically opposed to the Scottish Government projections that our generation will use low carbon transport where possible, particularly domestic travel within the UK. Projections for the economic benefits of scrapping APD are based on behaviours and values of users today. We feel that a more adequate assessment of the economic benefit of this decision would involve consulting specifically with future users.

Q2: How could a Scottish replacement to APD help achieve these objectives?

20. APD was brought in primarily as a tax revenue raising scheme, not chiefly as an environmental tax, and it can be argued that it has had limited environmental benefits. Since 1994, when APD was introduced, UK passenger numbers, and the associated carbon emissions have continued to grow to their current highest ever levels (CAA, 2015). However, given that a reduction in APD is predicted to increase aviation emissions, it is logical to assume that APD has had some environmental benefit in limiting aviation growth.

21. Due to aviation's growing effect on climate change, we believe a tax addressing the environmental impact of aviation needs to be implemented, rather than remove a tax which has indirect environmental benefits.

22. With newly devolved powers, Scotland has the opportunity to create a progressive, fair, and world leading taxation policy to limit aviation emissions which would be in line with our ambitions as a country to be world leaders on tackling climate change. Ultimately, the playing field for all modes of transport

should be levelled. The environmental costs of carbon emissions ought to be internalised and reflected in transport prices so as to incentivise low-carbon alternatives (and to reward low-carbon innovation within the aviation sector). Unfortunately an international agreement, namely the Chicago Convention, prevents fuel for international flights being taxed, however taxes on tickets, passengers and flights are all permissible.

23. We point to two potential policies here:

a) Frequent Flyer Levy, as outlined in (http://afreeride.org/)
   70% of all flights by UK residents are taken by just 15% of people. The Frequent Flyer Levy proposes to tax passengers according to how often they fly. The frequent flying minority will bear the financial cost of the environmental impacts of their flights more so than the majority who may fly only once per year. This levy starts to internalise the environmental impact of flying and moves towards the more equitable polluter pays principle. Currently, reducing APD would inequitably benefit that wealthier minority with much greater savings than those flying infrequently.

b) Reformed Aviation Duty, as outlined in
   (http://www.elsa-project.ac.uk/budgets/gb2008/08chap9.pdf)
   A more sophisticated per-flight tax could strengthen incentives for aircraft to fly as fully-loaded as possible, and the tax rate could vary to favour more efficient aircraft.

24. While we recognise the difficulties in the implementation of a number of these policies, we find them not to be insurmountable to a government concerned about climate change, particularly one that seeks to be a leader in this field as the Scottish Government does. We believe that elements of both of these potential policies could be implemented into a stronger, more environmentally sound Scottish APD without unacceptable cost or complexity.

Q8: Do you have any views on how and when the planned 50% reduction in the burden of APD should be implemented?

25. If the Scottish Government plans to move forward with its plans to reduce APD by 50%, we would suggest two main measures to be considered:

a) Increasing the number of bands would allow a more equitable taxing structure with those flying longer distances, and therefore emitting proportionally more, paying proportionally more.

b) Introducing a domestic, or a similar distance (e.g. 600 miles) band, or by varying APD by route could allow flights to be taxed at a higher rate when a reasonable low carbon alternative, i.e. rail, is available.

26. We would also suggest the Scottish Government consider the two policies outlined in Q2 when considering the most equitable, environmentally sound method of implementing this APD reduction.

27. We recommend that the Scottish Government monitor and evaluate the benefits and impacts of reducing APD by 50% for use as evidence as to whether the remaining 50% is removed.

28. Finally, we also recommend a long term plan is produced and implemented detailing emissions reductions to compensate for any and all increases in aviation emissions as a result of this change. Utilising any additional tax revenue raised through this policy change for climate change mitigation and adaptation measures would be appropriate.

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