



## **NEWS RELEASE**

Friday 17 June 2011

### **FOR IMMEDIATE RELEASE**

#### **SPAA ARGUES FOR 'PRAGMATIC APPROACH' TO AVIATION TAXATION IN APD CONSULTATION SUBMISSION**

In its detailed submission – in response to the Government's consultation on the reform of APD (Air Passenger Duty) - the SPAA has clearly laid out its arguments in favour of a 'more pragmatic and reasoned approach to aviation taxation in the UK, not least Scotland', according to Association President Brian Potter.

Referring to SPAA Members' role as a vital and concerned intermediary between traveller and airline; and the Association's enthusiastic participation in the ABTA-facilitated Fair Tax On Flying campaign ('... an expression, in part', comments Brian Potter, 'of our firm belief that the travel community must speak with one coherent and co-ordinated voice'), the submission expresses concern, and argues strongly in support of action, in a number of areas – in both a national and a Scottish context :

- > Concern that the ever-increasing tax burden on people flying puts the UK at a competitive disadvantage when compared to our European neighbours
- > Support for an HM Treasury investigation of offset of ETS (Emissions Trading Scheme) revenue against APD once aviation enters the EU's ETS in January 2012
- > Concern at any proposal to introduce changes at less than 12 months' notice
- > Support for the proposal to extend APD to business jets
- > Supporting specific changes to two taxation bands, to take better account of travelling distances
- > Support for changes to class-of-travel definitions to differentiate effectively between economy and premium cabin travel and their requisite fare levels

> Support for a single APD rate for passengers travelling from any UK point - and the exemption of domestic air travel from APD

> 'In principle' support for 'devolution' of APD to the Scottish Government - subject to further consultation on how this would be implemented and at what levels it would be set, whilst emphasising total opposition to differing levels of APD being applied within the UK.

> A request that the UK Government looks carefully at the impact APD is having on the UK inbound market, prior to reaching conclusions on broader APD reform

The submission concludes with a strong reminder to Government of the dangers of over-taxing a sector which has grown massively in post-war years, and contributed hugely to the health of 'UK plc' - not least when the global nature of the air travel market allows competing overseas destinations to organise swiftly, and exploit deficiencies in our 'consumer offering' as a destination / travel gateway. It also makes the point that the UK's inbound tourism infrastructure – a notional beneficiary of any depression of outbound travel demand – is not equipped to handle potentially large additional volumes of 'staycation' holidaymakers.

'The arguments laid out in our submission are totally pragmatic,' concludes Brian Potter, 'accepting our sector's responsibility to pay its way in the current economic climate and future environmental landscape – but challenging strongly the glaring inequity of regional 'double-dip' taxation of connecting travellers, and the self-defeating nature of piling EU ETS on top of an already bloated APD. We expect the Government to pay careful heed to our submission, due to the strength of our arguments – not least on behalf of a healthy future UK economy!'

**FOR MORE INFORMATION, PLEASE CONTACT**

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