House of Commons Transport Committee

New inquiry into

The Future of Aviation

A Submission by the General Aviation Alliance (GAA)

Executive Summary

A. The Inquiry poses questions on "Aviation" and it seems to assume that this means only Commercial Air Transport (CAT) whereas, of course, it must also include "General Aviation" (GA), being a mix of flying for both commercial and non-commercial, business, sport and leisure purposes.

Our response concentrates on GA but also contrasts some aspects with CAT.

We also refer to the Civil Aviation Authority's Strategic Review of GA of 2005/06 (Strategic Review) carried out in conjunction with GA and representatives of Government. This was the first time that such a review had taken place. A copy of the report is attached.

We consider this report should form the basis of the Transport Committee's consideration of the future of the GA sector of aviation in the UK as it provides a source of information to answer most of the questions it has posed and deals with the relationship between CAT and GA.

B. The value of the GA sector in the UK to the UK economy was considered to be approximately £1.4 billion in 2005/06 when the Strategic Review of General Aviation reported but others estimate it at £4.7 billion.

In 2005 GA directly employed some 11,600 people and 5,900 others on GA airfields. There are some 32,000 members of sport and recreational flying associations although the membership is in excess of 160,000 if other associated sectors are included. It is estimated that air shows produce the second largest public attendances in the UK.

C. There is much concern over the lack of access to many airports and larger aerodromes by GA in the UK. As airports become larger or busier they either specifically bar the smaller GA aircraft or price their services such that it is uneconomic for GA to use them. This has potentially adverse effects on pilots who need to train and maintain their flying skills with facilities, such as landing aids, that are not available at smaller airfields. It also reduces the network available for an important sector of aviation which must rely upon re-fuelling stops at convenient geographic points.

The GA training industry in the UK, which trains and provides many pilots who then move into the CAT sector, suffers considerably from the lack of encouragement from Government in that it is not exempted from VAT unlike some other European States. As a result many training establishments have either moved abroad to those States or the USA.

Aviation works best when there is a continuous spectrum from small private operators, through GA and business aviation, to CAT. Such a structure helps reduce costs and increase flexibility for the airlines when recruiting flight crew and other staff. It is therefore important that this spectrum of activities is maintained and not accidentally stifled by an over emphasis on CAT.

Pilot licences issued in recent years have fallen overall despite the introduction of a more limited privileges licence known as the National Private Pilot's Licence (NPPL). This licence requires less in terms of medical standards and training but has consequent stricter limitations on use. Issues of the more conventional Private Pilot licence (PPL) have fallen by 30% in 8 years.

D. It is accepted that GA has a range of effects on the environment. However, compared to CAT those effects are absolutely minimal. GA does take steps at local aerodrome level to minimise, in particular, noise impact on areas surrounding them. GA at the lighter end also pays taxes on fuel, mostly out of the taxed income of its pilots, unlike CAT.

E. GA suffers adverse effects, particularly when using regional airports, from excessive and disproportionate security regimes.

Responses to the specific questions asked in the invitation dated 18th December 2008:

1. What is the value of (General) Aviation to the UK economy?

The Strategic Review looked at a full description of GA and analysed sectoral trends together with the economic and social impact of GA in the UK, infrastructure access, the regulatory and tax environment, together with other issues.

The "value" of GA can be considered in relation to both economic and social values. The Lober study, carried out as part of a General Aviation Small Aerodrome Research Study by UCL in 2006, was used by the Strategic Review as a reasonable estimate and has estimated total expenditure within the GA sector at a minimum £1.4 billion in 2005; other industry estimates consider the value to be £4.7 billion. This is all expenditure on GA, and does not include any indirect expenditure generated by GA activity or the multiplier effect.

Lober provided estimates of GA employment, based on survey data. He estimated that some 11,600 people are employed in jobs directly related to GA. This estimate is not an exact one as it relies on the replies of airfields surveyed, and includes their estimates of the total number of people employed in the businesses based on their airfields, a number they may not have accurate data for. Many of these people may be employed in jobs not directly related to GA. Employment on airfields classed as "mainly GA" is estimated at 5,900.

In earlier, post war, years the UK had a thriving CAT and GA aircraft manufacturing sector. Some aspects of the CAT sector have remained, mainly in supply of engines and peripheral equipment and assembly of some aircraft structural parts. However the GA aircraft manufacturing sector has virtually ceased being lost to Eastern European States and the USA. A small specialist microlight manufacturing sector has appeared in recent years.

The CAT sector is of course very much larger than GA in economic terms but using Lober's GA figure it was, in 2005, roughly equivalent to Virgin Airlines turnover and equated 8% of the CAT turnover of £17.6 billion.

Significant numbers of people are involved in GA recreational activities. The total membership of sports and recreational associations in the UK is estimated at some 36,000. In addition there are 32,000 temporary members of the British Parachute Association (occasional and one-off jumpers) and some 37,000 people who fly model aircraft. There are also about 53,000 Air Cadets, aged between 13 and 18, attached to over 1000 squadrons and many scouts who seek "air-minded" badges.

2. Is the current aviation infrastructure adequate for the needs of UK business and individuals and how should it be developed?

This was covered in much detail in the CAA's Strategic Review. Section 3.1 of the report neatly summarises the problem:

" As with all forms of aviation, GA needs a certain level of access to infrastructure in order to operate, although this may vary widely across the different types of GA.
There are two main infrastructure issues: airfields (or some form of fixed site to take off and land): and access to airspace. GA is currently facing increased difficulty in accessing both of these, particularly in the more congested areas of the UK."

This situation prevails and is becoming, and forecast to become, worse due to growth in demand for controlled airspace from CAT, more controlled airspace around airports and increasing use of unmanned aerial vehicles, the latter both from Ministry of Defence and private contractors.

Furthermore the Government has yet to introduce effective safeguarding of airports into the planning system, as it has indicated it would do, and airport sites continue to be under pressure for redevelopment for commerce and housing as recognised "brownfield" redevelopment sites.

The White Paper "The Future of Air Transport" of December 2003 noted the "*important contribution made by small airports in the South East in providing capacity for business aviation*" and supported "*the adoption of policies which encourage the continued provision of these services*". The wider benefits of GA, and its sports and recreational aspects were not considered, unfortunately, to be within the scope of the White Paper exercise.

To provide a viable airport infrastructure in the UK for use by GA as a resource, for both industry and leisure use, there needs to be effective access to both regional airports and smaller GA aerodromes. There would be cause for concern if a significant further loss of airfields were to continue, especially if crucial interchanges on the transport network were to be lost.

It is critical that in solving the current infrastructure issues relating to CAT that other users are not unfairly compromised. This would be counter to EU policy. The current infrastructure for UK GA is poor in comparison with that of the USA, France and several other EU countries, and it is important that it does not get any worse.

3. To what extent can rail provide an alternative to short-haul flights?

The majority of GA flights are acknowledged to take place within a relatively small area. However, a significant element involves flying between two points and these are often not easily accessible by rail. Much time and effort can be saved by businesses flying between airfields, particularly the smaller ones, to be nearer their final destination. Much time can also be saved compared to short haul CAT flights, with its attendant security constraints, and then travelling to the final destination by other means.

4. What costs does aviation impose on society and the environment?

The Strategic Review covers this aspect in section 2 of its report and part of the summary is:
"Aviation has a range of environmental impacts, to which GA contributes. The impact of aviation as a whole upon the environment has increased significantly over recent years, although GA's overall impact in terms of noise and emissions is far less than that of CAT, as would be expected given the difference in aircraft size and fuel consumption between the two sectors. GA also pays tax on much of the fuel it uses, unlike airlines."

The question presupposes a cost on society without any corresponding benefit. Private aviation provides a valuable social outlet for air-minded people including young people. It provides the opportunity and educational basis for many to start thinking about a career in aviation; air sports in particular perform a valuable and relatively inexpensive outlet for these interests.

The UK has been especially successful in sports aviation in recent years, as evidenced by the many World and European Champions, as well as international records in air sports such as gliding, microlighting, parachuting and ballooning. As an example of air sports achievements and the diversity of activities undertaken, the current Women's World Championship 4-Way Formation Skydiving team and the current World Champion Freefly team are both British.

5. What is the impact of taxation on the aviation sector nationally and regionally?

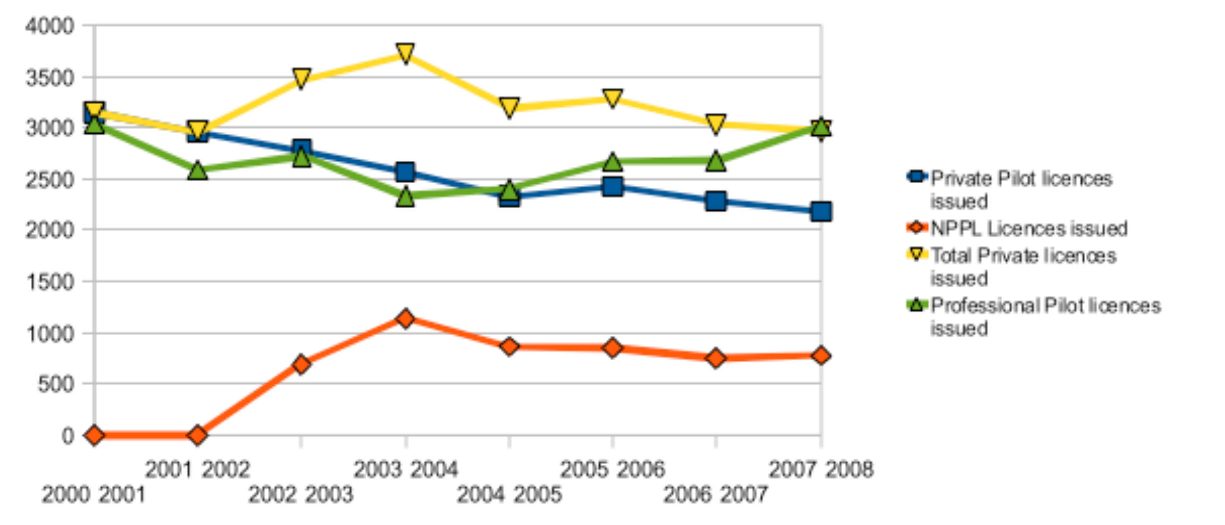
Sections 4.52 - 4.67 of the Strategic Review report deal with Taxation.

CAT benefits from VAT zero-rating of passengers. By contrast, most GA activities are subject to standard rate VAT including flight training courses, unlike most other education activities. A pilot's licence is one of the most expensive vocational qualifications to obtain, but is one of the few vocational areas where the student is expected to pay VAT in addition to the cost of their training.

This state of affairs unfairly burdens GA and is the main reason for many flight training establishments basing themselves within mainland European States that zero-rate flight training or in the USA where all costs are lower.

In addition the duty on Avtur fuel used for non-commercial purposes has recently been doubled by the Treasury, removing an advantage of its use, which will mean development of more fuel efficient ("diesel" type) engines for GA aircraft will be held back and currency training by pilots in their own or rented aircraft powered by that fuel will be reduced thereby potentially affecting safety.

The fact that taxation, and increases in costs generally, adversely affects GA can be seen by the progressive downturn in the issue of pilot licences over recent years in the graph below:



(source: CAA).
It can be noted that the PPL licences issued have fallen by some 30% in the eight years since 2000/01 whereas professional licences issued have, after a fall in the middle years, regained their numbers.

NPPL licences issued numbers, following a start in 2002/03, have remained approximately constant around 800. The introduction of the NPPL in 2002 has particularly benefitted those private pilots who could not meet the unnecessarily stringent and disproportionate medical standards of the JAA.

6. What is the impact on the aviation sector of changes in the security environment?

Sections 4.68 - 4.73 of the Strategic Review report deal with security.

GA operates from a range of large and small airports, aerodromes and unlicensed farm strips. Application of security measures affects GA in varied ways but the most adverse effects are felt at the larger airports where security measures are often excessive having regard to the nature of GA's operation. Smaller GA aircraft and their passengers are hardly likely to pose a security threat and GA made such point to the DfT TRANSEC review of 2005.

Appendix 1 - Information on the General Aviation Alliance

Attachment - The Civil Aviation Authority's Strategic Review of GA of 2005/06

PRD 21st February 2009

Appendix 1 The General Aviation Alliance (GAA)

The General Aviation Alliance (GAA) is a group of organisations representing the interests of many in the UK General Aviation Industry (GA). It was formed in 2004 due to concerns about the fragmented representation of GA and the need for co-ordinated UK level responses to CAA and EU initiatives, the latter through a pan-EU representative organisation, Europe Air Sports.

The term General Aviation (GA) describes all aviation activity except airlines and military i.e. a civil aircraft operation other than a commercial air transport operation. The principal sectors of the GA industry include sport and recreational aviation (S&RA), personal transport for business and private purposes, flying training, corporate aviation, aerial work and a wide range of ancillary activities from maintenance to airport services. There are approximately 7,500 UK registered and certificated (including approximately 1,000 helicopters) plus 1,000 USA registered GA powered aircraft in the UK, 2,300 microlights, 2,600 gliders, 740 balloons/airships, 62 gyroplanes plus 5,500 hang and paragliders and approximately 1,000 UK civil airliners. In addition parachuting activities are within the scope of CAA regulation as well as aero-modelling.

It is understood that air shows are now the UK's second most popular spectator activity with some 6.6m attending annually (Source: Air Display Association (Europe)).

Members of The Alliance include:

- British Balloon and Airship Club (BBAC)
- British Gliding Association (BGA)
- British Hang Gliding and Para Gliding Association (BHPA)
- British Microlight Aircraft Association (BMAA)
- British Parachute Association (BPA)
- Helicopter Club of Great Britain (HCGB)
- Light Aircraft Association (LAA)
- PPL/IR Europe – European Association of Instrument Rated Private Pilots
- Royal Aero Club of the United Kingdom (RAeC)

The Alliance coordinates about 72,000 subscription paying members of these bodies.