

MEETING BETWEEN CABINET SECRETARY FOR FINANCE AND THE CONSTITUTION MIKE ROBINSON, CHIEF EXECUTIVE ROYAL SCOTTISH GEOGRAPHICAL SOCIETY	
TIMING	Thursday 16 March 2017 15:00-15:45 T4.07 Scottish Parliament
ATTENDEES	<p>Mike Robinson, Chief Executive, Royal Scottish Geographical Society</p> <p>Mike is also a Board member of both Scottish Environment: LINK and Stop Climate Chaos Scotland, and represents both environmental organisations on the Scottish Government's ADT stakeholder forum meeting.</p> <p>Mike has attended all five meetings so far of the stakeholder forum, responded to the Scottish Government's ADT consultation in June 2016 and also gave evidence on the ADT Bill to the Finance and Constitution Committee on 22 February 2017.</p> <p><u>Official Support</u> [redacted]</p>
AGENDA	<ol style="list-style-type: none"> 1. Economic case for reducing ADT; 2. Environmental impact of reducing ADT.

YOUR MAIN
OBJECTIVE

Purpose of the meeting

- Mr Robinson has requested the meeting with the Cabinet Secretary to discuss the Scottish Government plans to “further the environmental agenda in regards to finance, infrastructure and transport”, in relation to the environmental impact of a reduction in ADT .
- Mr Robinson represents the two environmental organisations who are members of the Scottish Government’s ADT stakeholder forum. As such, he is a key environmental stakeholder.

[redacted]

Issues likely to be raised

Based on the content of the letter that Mr Robinson sent to the Cabinet Secretary on 23/01, he may want to discuss/raise the following matters:

[redacted]

Key Messages

- We are committed to delivering a 50% reduction in the overall burden of ADT by the end of this Parliament and we will work across the Parliament to do so. We are also committed to abolishing the tax entirely when resources allow.
- Further information on tax exemptions, tax bands and tax rate amounts will be provided at a later date in secondary legislation.
- Reducing and eventually abolishing ADT will better support our objective to boost international connectivity and help generate sustainable growth – priorities that are even more pressing as a result of the EU referendum.
- We recognise that boosting economic growth by improving air connectivity may lead to an increase in aviation emissions and we are prepared to work harder in other areas to meet climate targets.
- The environmental impacts of reducing ADT are being carefully considered through a Strategic Environmental Assessment.
- The next step of the SEA process is to publicly consult on the Scottish Government’s 50% reduction proposals. An Environmental Report accompanying the consultation will outline the assessment findings and provide the public with a means to understand the likely environmental implications.
- The Scottish Government has developed and is continuing to refine an evidence base on ADT and has used it to inform the development

	<p>of ADT policy.</p> <ul style="list-style-type: none">• We are happy to listen to any recommendations that Parliament may have on conducting an independent assessment.
CONTACT POINT	[redacted]

ITEM 1	1. Economic case for reducing ADT
ISSUE/ BACKGROUND	<ul style="list-style-type: none"> • A fundamental part of the Scottish Government’s plans for ADT is a commitment to a 50% reduction in the overall tax burden by the end of this Parliament and also abolishing the tax when resources allow. • The Finance and Constitution Committee has been critical of the existing economic analysis underpinning the case for a reduction or abolition of ADT. • A number of stakeholders (including Scottish Chambers of Commerce, ICAS, CIOT and Reform Scotland) have also called in their written and oral evidence for an independent assessment to be commissioned by the Scottish Government.
WHAT THE STAKEHOLDER MAY SAY/ASK	<p>[redacted]</p> <ul style="list-style-type: none"> • Edinburgh and Glasgow airports have reported record passenger numbers despite current UK APD levels. • People with higher incomes tend to fly most, so reducing ADT is not a socially equitable policy as it will mostly benefit people with higher incomes. • The Scottish Government should commission an independent assessment on the economic, social and environmental impacts of reducing ADT before setting its tax reduction proposals, and should commit to monitoring the impacts after the reduction has come into effect.

<p>KEY MESSAGE(S)</p>	<ul style="list-style-type: none"> • APD is one of the highest taxes of its kind in the world, and by far the highest in Europe. • Cutting the tax burden helps to ensure a more level playing field with many other European airports competing to secure the same airlines and routes. A reduction in ADT will lead to an increase in capacity and passengers. • The impact of Brexit means we must be more ambitious for growth, pro-business, pro-tourism, pro-Europe. A cut to ADT would provide a significant boost to Scottish business. • The benefits to Scotland go beyond direct spend of travellers, but knock-on benefits for trade, competitiveness and the attractiveness of Scotland as a place to locate to, visit and do business with. (World Economic Forum identify air links as an important driver of global competitiveness) • Since Ireland abolished its air tax in 2014, Dublin Airport has achieved the highest rate of passenger growth of any major airport in Europe, with passenger numbers increasing year-on-year by 11.5% in 2016 and 15.4% in 2015 (source: ACI Europe). • We are already seeing airlines making commitments about increasing their presence and capacity in Scotland if ADT is reduced - easyJet has promised to increase capacity by 30% (1.5m extra passengers); and Ryanair announced that they will open 17 new routes this winter, in addition to promising that it will add a further 1m passengers with a full 50% cut in April 2018. • The Scottish Government has developed and is continuing to refine an evidence base on ADT and has used it to inform the development of ADT policy. [redacted] • We are happy to listen to any recommendations that Parliament may have on conducting an independent assessment. [redacted]
<p>SUGGESTED QUESTION(S)</p>	<ul style="list-style-type: none"> • How in your view can the Scottish Government maximise the benefits of a reduction in ADT? • What type of evidence or commitments from the Scottish Government would you like to see that would provide you with a satisfactory level of reassurance regarding assessing the impact of the policy?

ITEM 2	2. Environmental impact of reducing ADT
ISSUE/ BACKGROUND	<ul style="list-style-type: none"> • Previous research undertaken by the Scottish Government has forecast that a 50% reduction in ADT could lead to an estimated increase in greenhouse gas emissions of around 60,000 tonnes in the first year (this represents an increase of 3% in aviation emissions and 0.1% in total Scottish emissions).
WHAT THE STAKEHOLDER MAY SAY/ASK	<ul style="list-style-type: none"> • A 50% reduction in ADT is inconsistent with Scotland's current and future climate change commitments and it will make achieving greenhouse gas emissions targets more difficult; • As a general rule flying is more expensive, in per-passenger per-mileage terms, than any other form of transport. • Short-haul flights are the most environmentally damaging type of flight proportionately because the aircraft take-off accounts for a significant proportion of the overall energy consumption on a flight; • Reducing ADT without any placing any specific greenhouse gas emission reduction targets on the aviation sector within the current Climate Change Plan means that aviation (a high-emitting and growing sector) will benefit from the extra efforts that other sectors will have to make to compensate for aviation emission increases; • Other environmental impacts (apart from increased greenhouse gas emissions) may include: Air and noise pollution; biodiversity impacts of airport expansion; traffic congestion etc.
KEY MESSAGE(S)	<ul style="list-style-type: none"> • We recognise that boosting economic growth by improving air connectivity may lead to an increase in aviation emissions and we are prepared to work harder in other areas to meet climate targets. • Previous research undertaken by the Scottish Government has forecast that a 50% reduction in ADT could lead to an estimated increase of around 3% in greenhouse gas emissions from aviation in the first year. This would represent around 0.1% of total Scottish emissions). • The Committee on Climate Change has advised that any increase in emissions from reducing ADT is likely to be manageable. • The transport envelope in the draft Climate Change Plan accommodates the expected increase in emissions from a 50% ADT reduction. The draft Plan sets out how the Scottish Government will reduce overall transport emissions by a third between 2014 and 2030. • The environmental impacts of reducing ADT are being carefully considered through a Strategic Environmental Assessment. • The next step of the SEA process is to publicly consult on the Scottish Government's 50% reduction proposals. An Environmental Report accompanying the consultation will outline the assessment findings and provide the public with a means to understand the likely environmental implications.
SUGGESTED QUESTION(S)	<ul style="list-style-type: none"> • How could the environmental impact be best mitigated?