



Consultation: Airports Commission Consultation

Date: February 2015

Our (PID) reference number: PD2175

Introduction

The General Consumer Council for Northern Ireland (the Consumer Council) is an independent consumer organisation, working to bring about change to benefit Northern Ireland (NI) consumers. Our aim is to *'make the consumer voice heard and make it count'*.

We have a statutory remit to promote and safeguard the interests of consumers and have specific functions in relation to energy, water, transport and food. These include considering consumer complaints and enquiries, carrying out research and educating and informing consumers. In addition, from April 2014, we have taken on responsibility for representing consumers in respect of postal services in NI.

The Consumer Council is also a designated body for the purposes of supercomplaints, which means that we can refer any consumer affairs goods and services issue to the Competition and Markets Authority, where we feel that the market may be harming consumers' best interests. In addition, we have 'supercomplainant' status for financial services, with powers to bring supercomplaints on financial matters to the Financial Conduct Authority (FCA).

In taking forward our broad statutory remit we are informed by and representative of consumers in NI. We work to bring about change to benefit consumers by making their voice heard and making it count. To represent consumers in the best way we can, we listen to them and produce robust evidence to put their priorities at the heart of all we do.

Airports Commission Consultation

The Consumer Council has responded to a number of the Commission's consultation documents and attended the stakeholder event with the Chair of the Commission held in Belfast in May 2013.

The focus of our responses has always been to represent the interest of NI consumers.

Given NI's geographic location, the region's passengers are dependent on air travel to access GB destinations and further afield. NI's air links, both international and domestic make an important contribution to the region's economic growth and social well-being, supporting trade and inward investment and facilitating tourism.

The Consumer Council does not have a view regarding whether or not Heathrow should remain as the UK's focal/hub airport. Nonetheless, the Consumer Council believes it is essential that NI passengers retain access to the UK's hub airport in the future, wherever it may be situated, to ensure the region's passengers continue to be able to access international connections.

The Airports Commission's previous consultation document (Discussion Paper 06 - Utilisation of UK's existing airport capacity) highlights that *'in 2013 30 per cent of passengers passing through regional airports were travelling to and from other UK airports. This compares to just eight per cent for the London area airports.'*

In comparison, when Civil Aviation Authority (CAA) passenger figures for NI are examined it can be seen that 78 per cent of all NI passenger journeys are to or from other UK airports.¹ Flights to and from NI airports account for 26.4 per cent of total flights within the UK, i.e. flights between two UK airports. In contrast the population of NI is 2.9 per cent of the overall UK population.²

This high level of dependence on air travel has been recognised by the Northern Ireland Affairs Committee who in its report *Air Passenger Duty: implications for Northern Ireland*, stated “that for many people in NI travelling by air is not a luxury, but is an essential element of family and economic life”.³

However, it is the NI connection to the UK's hub airport that has a very specific impact on the economic and social well being of NI consumers. NI's exports via air are worth £1 billion annually and represent 31 per cent of the region's total exports by value. The importance of access to hub airports from NI is highlighted by the fact that 60 per cent of exports by air go via a hub to their final destination.

In addition, visitors arriving in NI via connections provided by Heathrow contribute £21.4 million to GDP and support approximately 1,000 jobs.⁴

¹ Figures based on CAA passenger statistics

² <http://www.ons.gov.uk:80/ons/rel/regional-trends/region-and-country-profiles/population-and-migration--december-2013/regional-profiles---population-tables--december-2013.xls>

³ House of Commons Northern Ireland Affairs Committee *Air Passenger Duty: implications for Northern Ireland* (July 2011).

⁴ Oxford Economics, 2012

Regional Connectivity - Hub access versus access to London

Section 2 of the consultation asks the question, *'In your view, are there any relevant factors that have not been fully addressed by the Commission to date?'*

The Consumer Council believes the key area that has not been fully addressed is regional connectivity.

Section 2.78 of the November 2014 consultation makes reference to the Commission's engagement with regional stakeholders and states, *'There is no questioning the importance that Scotland, Northern Ireland and the UK's more peripheral cities place on expanding aviation capacity in London and the South East.'*

The Consumer Council is of the view that NI consumers benefit from good links to London already provided by services operated to Gatwick, Stansted, Luton, Heathrow and most recently London City.

However, it is the region's Heathrow services that are of significant importance given they facilitate international connectivity for NI passengers. In 2013 almost 10 per cent of passenger traffic through NI airports was to or from Heathrow.⁵

The Consumer Council believes that action needs to be taken to ensure slots are reserved for airlines operating regional services from areas where it is not practicable to access to Heathrow by road or rail. In short, it is not just about access to London but rather access to the UK's hub airport as well.

⁵ In 2013, 666,280 passengers travelled on Northern Ireland's Heathrow services.

Section 1 reviews the Commission's work so far and 1.11 specifically states, *'The Commission did not consider that there was a binary choice between providing additional hub capacity or additional point-to-point capacity. Instead, future recommendations should aim to support the continuation of an airport system that caters for a range of airline business models. This would be particularly important in a competitive airport system, like London, where airlines can choose how to use the available capacity, and the market can be expected to respond dynamically to the provision of new infrastructure.'*

If airlines decide to use slots currently in use for regional airports to land aircraft connecting emerging economies with London and other major worldwide cities, this may benefit the UK as a whole. However, it could have a significant, detrimental impact on the local economies of those regions affected.

Such a development has the potential to have significant social and economic impacts on regions such as Northern Ireland, however, no powers currently exist for government to intervene.

Therefore, whilst it is accepted that the market can be free to respond to the provision of increased capacity the Consumer Council believes the dependence of UK regions on the wider international connectivity that the UK hub airport provides is not fully reflected in the Commission's work to date.

Conclusion

In addition to its work considering the options for increasing air capacity, the Consumer Council believes the Commission should consider how the UK can make best use of that increased capacity so that the development of aviation benefits all UK consumers.

Therefore, the Consumer Council re-states its request that any recommendation made by the Commission recognises the unique position of NI consumers and recommends that secure and regular access to the UK's hub airport is maintained and considers options for how this can be protected.

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The Consumer Council

Making the consumer voice heard and making it count

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