The proposed sustainable aviation fuel (SAF) revenue certainty mechanism should not be funded by the taxpayer. Furthermore, the Environment Act 2021's environmental principles should be adhered to.

This is a joint response from 21 interested civil society organisations to the Government's Sustainable Aviation Fuels Revenue Certainty Mechanism consultation. Between us, our organisations have hundreds of thousands of supporters and also represent many other smaller organisations. Additionally, AEF and T&E sit on both the main Jet Zero Council, the SAF delivery and SAF commercialisation subgroups, and coordinate the International Coalition for Sustainable Aviation, which has observer status at the International Civil Aviation Organisation (ICAO).

The consultation clearly states that the intention is for the SAF revenue certainty mechanism to be industry-funded. The Government must follow through with this intention. Crucially, this should mean that the Treasury, and by extension the taxpayer, is not involved at all.

In 2019, flights departing UK airports were responsible for 38.5MtCO_2 and yet the industry paid no tax on the fuel it consumed. With air passenger traffic close to a return to pre-pandemic levels, IATA predicts that the global industry is likely to make a net profit of over $30 billion this year. By contrast, according to your department's annual National Travel Survey, in 15 out of the last 17 years, the majority of British people did not fly. Of those that did, most flew abroad only once each year. It would therefore be grossly unfair for the taxpayer to cover the funding costs of the future scheme, as the majority of British citizens travel by plane rarely, or never. This is especially true in a cost-of-living crisis. The costs of the scheme could impose an unacceptable burden on hard-pressed British families, something that Prime Minister Rishi Sunak recently specifically ruled out.

We welcome the stated intention that the scheme is industry-funded, but are acutely aware that this could be, and is, being interpreted in different ways. Additionally, there is an ambiguity in the consultation costings, which take into account "affordability to Government". We acknowledge that any Government-mandated scheme would have setup costs, but these should be relatively small compared to the ongoing funding costs of the scheme. We are therefore puzzled and concerned about this point's inclusion.

We therefore propose the following:

- "Industry-funded" should mean that the costs of any revenue support mechanism should be paid for solely by the aviation sector. The Treasury should not be involved in any way, including as a "buyer of last resort", "loan guarantor", etc.
- No existing or future taxes on the sector that currently / would flow to the Treasury, such as Air Passenger Duty or emissions trading scheme revenues, should be earmarked to fund the scheme.
- At no point should there be any potential for Treasury money to be used to cover any scheme costs; the scheme should be administered by a body that is not the Treasury, similar to how the Low Carbon Contracts Company operates regarding renewable energy generation.

We are also pleased with the specific reference to the environmental principles that are set out in section 17 of the Environment Act 2021. We would like to draw your attention to the "rectification at source" principle, which in this case suggests that any future revenue certainty mechanism does not encourage the use of problematic SAF feedstocks, and the "polluter pays" principle, which suggests that the costs of pollution (e.g. additional NHS costs caused by air pollution from planes) should be borne by those that cause it. Simply applying the polluter pays principle to all sources of pollution from the aviation sector would reduce the risks to investors in alternative jet fuels.

On behalf of the following organisations:

Alex Chapman, Senior Economist, New Economics Foundation

Aoife O'Leary, CEO, Opportunity Green

Asad Rehman, Executive Director, War On Want

Chris Todd, Director, Transport Action Network

Colin Howden, Director, Transform Scotland

Doug Parr, Chief Scientist and Policy Director, Greenpeace

Dr Mary-Ann Stephenson, Director, Women's Budget Group

Emma Richardson, Head of Policy & Research and Aviation Lead, Climate Catalyst

Finlay Asher, Co-Founder, Safe Landing

Izzie McIntosh, Campaigns & Policy Manager, Global Justice Now

Jo Wittams and Priya Sahni-Nicholas, Co-Executive Directors, Equality Trust

Kate Metcalf, Co-Director, Women's Environmental Network

Leo Murray, Director of Innovation, Possible

Matt Finch, UK Policy Manager, Transport & Environment

Mike Childs, Head of Science, Policy & Research, Friends of the Earth

Nicolò Wojewoda, Europe Regional Director, 350.org

Rachael Henry, Head of Advocacy and Policy, Tax Justice UK

Roz Bulleid, Research Director, Green Alliance

Ruth London, Director, Fuel Poverty Action

Silviya Barrett, Director of Policy and Campaigns, Campaign for Better Transport

Tim Johnson, Director, Aviation Environment Federation