



FOR IMMEDIATE RELEASE

LAPFF CALLS OUT CONTRADICTIONARY SIGNALLING FROM GOVERNMENT ON MEASURES TO TACKLE CLIMATE CRISIS

The Local Authority Pension Fund Forum (LAPFF) has called on the Treasury to review the current position of air tickets being VAT free and aviation fuel incurring no duty.

In its [response](#) to the Treasury [consultation](#) on reforms to Air Passenger Duty (APD) LAPFF says a price signal of reducing domestic APD would encourage more flights. This is in stark and direct opposition to the government's own climate change target to reduce emissions by 78% by 2035 over 1990 levels.

Cllr Doug McMurdo, Chair of LAPFF, said "We have seen just how quickly government and companies can respond in the face of the coronavirus pandemic. Addressing air transport emissions is critical to tackling climate change. By proposing a reduction in air passenger duty, which is likely to increase domestic flights, the Treasury is showing a 'tin ear' to the UK government setting out best practice in the run up to COP26 in Glasgow."

LAPFF has long recognised the imperative to address climate change as a systemic investment concern for investors. With aviation expected to grow to be the biggest source of UK emissions by 2050, it is a significant contributor to the material financial risks of climate change with the potential for loss of shareholder value.

LAPFF further considers that the government should take the opportunity to support the development of UK leadership in electric flight in its consultation later this year on how the aviation sector will deliver its contribution to net zero. This could include proposals on measures such as restricting fossil fuel powered private jets from using UK airports and supporting an implementation date for electric-only domestic flights.

ENDS>

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About the Local Authority Pension Fund Forum: The Local Authority Pension Fund Forum (LAPFF) is a voluntary association of 83 public sector pension funds and seven pools based in the UK with combined assets of over £300 billion. It exists to 'promote the long-term investment interests of local authority pension funds, and to maximise their influence as shareholders to promote corporate responsibility and high standards of corporate governance amongst the companies in which they invest.' PIRC is the Research and Engagement partner to the Forum @lapfforum <https://lapfforum.org/>.