



Northern Ireland
Assembly

Committee for Finance and Personnel

OFFICIAL REPORT (Hansard)

Legislative Consent Motion — Changes in Air
Passenger Duty Bands in UK Finance Bill:
Department of Finance and Personnel

9 April 2014

The Chairperson: Are there any other policy implications that we need to consider?

Mr Simpson: Not really. Effectively, there are no financial implications. We have already reduced the rate. We have taken the block grant adjustment. So, there will be no real implications for, or impacts on, Northern Ireland from this change. It is essentially a technical, legal issue whereby, downstream, we will need to reflect the changes in the banding structure in the Act that sets the rate. As part of paving the way for that, it is taking the legislative consent motion to the Assembly to give the Assembly its place to allow Westminster to legislate by changing the band. There are no other particular issues.

The Chairperson: OK.

Mr Cree: You mentioned "private luxury jets". What is the difference between a luxury jet and a business jet, for example?

Mr Simpson: They are effectively one and the same. The higher rate applies to a flight aboard an aircraft of 20 tons or above with fewer than 19 seats. So, it is effectively a sizeable jet with a small number of seats.

Mr Cree: It is just the "luxury" bit that intrigued me.

Mr Simpson: That just tends to be the description used. Strictly speaking, it is related to the number of seats and the size of the aircraft, but we refer to them as "luxury". I have never been one.

Mr Cree: It is a misnomer; is it? You could have a standard, utility 19-seater.

Mr Simpson: Yes. I have no sense of what 20 tons is, but the description puts them in that category. It is probably quite a sizeable aircraft.

Mr Cree: I still do not get the "luxury" bit at all.

Mr Simpson: I am probably not best-placed to comment on how luxurious they are, but that is the term that tends to be used to describe them. They are private jets that are quite sizeable.

Mr Cree: Do you agree that you could have a bog standard jet?

Mr Simpson: You could perhaps have a jet that is bog standard in terms of specification. However, to run that jet and fly 19 passengers would probably still quite expensive. That is where the luxury element comes in.

Mr Cree: That is nothing to do with luxury though; is it?

Mr Simpson: No.

Mr Cree: It is to do with the engines.

Mr Simpson: Yes; it is just the description that is used.

The Chairperson: Tony, around the time of the devolution of powers in respect of the long-haul flights, there was an argument about the potential cost. I think that it was £3 million to £5 million. Even though the New York route was going to go to the wall anyway, there was a cost to the Executive. Does this affect the cost to the Executive at all?

Mr Simpson: No. The block adjustment mechanism was set at that time, and this has no implications for that whatsoever.

The Chairperson: Should it have any implications?

Mr Simpson: No.

The Chairperson: Tony, thank you very much.