

HITRANS – AIR DISCOUNT SCHEME RESEARCH

Research is being carried out to explore the feasibility of the Scottish Government reintroducing the Air Discount Scheme for all types of business users and extending the scheme to include local authority personnel, as well as individual travellers.

HITRANS, the regional transport partnership for the Highlands and Islands, has commissioned a study to examine the benefits and costs of the scheme, which significantly reduces the cost of air travel for those living in eligible geographical areas of the Highlands & Islands.

An online survey of Private Sector Businesses is being conducted to collect data on businesses' current use of the relevant air services, including frequency, trip purposes (meeting customers, attending conference, etc.) and an estimate of their total annual spend on flights. The survey will capture information about changes in use of air services by businesses since 2011 and wider business impacts from the change in policy.

Please find link to the online survey below:

<https://www.surveymonkey.co.uk/r/AirDiscountScheme>

Background

The Scheme was introduced by the Scottish Government in 2006 to benefit businesses and individual travellers from air dependent communities. In April 2011, the scheme was restricted to non-business trips. Flights made as part of an individual's work for the private, public or third sectors was no longer deemed eligible for a discount.

This was relaxed in July 2012 when ADS was reinstated for business trips made by those working in the third sector. Further, in April 2015 the level of discount was raised from 40% to its current level of 50%.

HITRANS have commissioned Reference Economic Consultants to carry out the research. This will include meeting with Transport Scotland to understand;

- The trend in the number of ADS-related flights before and after the two changes in business flight eligibility in 2011 and 2012.
- Trends in ADS funding before and after these two changes.
- The rationale for, and views on the impacts of, withdrawal of ADS for business use.
- The way in which ADS for third sector business flights has been funded and the supporting rationale for this.
- Possible means of funding increased ADS eligibility for business use and the scope of this (e.g. inclusion of public sector flights).

The online questionnaire will also be supported by a series of more in depth telephone interviews. The research will also include consultation with the relevant airlines - Loganair and Eastern Airways

The study will review the fares that are currently being charged so research will be undertaken on the fares that are available online for each of the relevant routes and how these fares vary as a result of multiple factors including; how far in advance they are booked; their flexibility and impact of trip duration. Also under scrutiny will be other schemes in the EU that offer reduced fares to business users, including the means by which they are funded and eligibility criteria.

Ranald Robertson, Director of HITRANS, said: "Affordable and reliable air travel is vital to the economic wellbeing of our island and rural communities. Our research aims to provide compelling evidence for the reinstatement of the discount for all business flights in recognition of the importance to our communities."