

Xposé for Taking the Most from the Government Box Office

Big Business is rightfully proud of its risk-taking record, aided and abetted by taxpayers riding to the rescue when things go wrong. Which industry made the most creative use of public subsidies or tax exemptions, getting money for what they do anyway?

And the nominees are...

Aviation

Has any industry secured a better deal? £9.2 billion per year in tax exemptions.¹¹ Or put another way: £9,200,000,000! Just how do they do it?

- Airlines pay no duty or VAT on their fuel.

That's right, zero. So when Ms Average fills up her car it costs about 81p per litre yet Richard Branson pays only around 17p per litre to fill up his 747s.

When Ms Average takes her car to get serviced or eats a meal in a restaurant, she forks out for VAT at 17.5%. When Branson buys a new plane or eats a meal on a transatlantic flight, he's in a VAT-free zone.

Quite right too!

- Duty free shops are goldmines.

Airports subsidise their operations through retail income, helping BAA offer airlines some of the world's lowest airport charges, despite Britain's airports being among the most congested. Indeed BAA makes more from shopping than from running airports.¹²

Everybody wins! Well, everyone that matters.

- Although there's been whinging by local communities and greenies, the aviation industry has thus far managed to avoid any environmental tax. Quite a feat if you take into account global climate change and the 1998 Transport White Paper suggesting "aviation should meet the external costs, including environmental costs, which it imposes".

Who cares about the "polluter pays" principle?

Xposé for the Most Spectacular Special Effects

From the minimum wage to new chemicals legislation, corporate lobby groups constantly warn of hellfire and damnation if “progressive” regulations are introduced. Who was the stand-out performer utilising such diversionary tactics, special effects and exaggeration?

And the nominees are...

Freedom to Fly Coalition

If there's one thing we love, it's a bogus community stakeholder alliance/corporate funded and directed lobby group. This year the best example is Freedom to Fly, a group set up for one reason and one reason only: to ensure the Government's Aviation White Paper was BAA/British Airways/Virgin Airways et al friendly.

With political correctness running rife, it's tricky for companies with a strong brand presence to come out and say what they really think. If BA or Virgin Airways said, for instance, “we don't give a toss about the environment or local communities, we want more runways, more flights and more money, damn it”, those bloody tree huggers would conjure some bloody backlash. God forbid – a boycott may ensue.

The solution? Come together with like-minded businesses, set up a seemingly independent lobby group, say Freedom to Fly, then funnel all your brand-endangering opinions through this mouth piece with NGO-like phrases such as “people want the freedom to fly”.⁴⁴

A lot of time, energy and expense was put into Freedom to Fly – but was it worth it? The Government's White Paper approved new runways at Stansted, Birmingham, Edinburgh and Heathrow or Gatwick, green-lighted expansion at many other UK airports, continued the tax concession regime, and gave the industry at least four years grace from tackling its climate change impacts. The proof, friends, is in the pudding.

Alas the flurry of media activity, pamphleting and associated activities by Freedom to Fly in the months of the consultation abruptly ended with the release of the White Paper. The once vibrant website has vanished. Freedom to Fly has gone – but it will live on in our hearts and memories.

If you are clever, your front group can even back-up your own arguments to make you look more popular. So a Guardian article headlined, “BAA calls for extra runways”,⁴⁵ begins, “the UK's main airport operator (BAA) today called for at least three new runways to be built at existing terminals in south-east England.” Further down the same piece, “Dan Hodges, from the Freedom to Fly campaign, said BAA's announcement ‘exposed’ the inconsistencies in the arguments being put forward by those opposed to expansion”.