



REPORT
on
Food, Fat and Fiscal Measures
in preventing CVD and Obesity
March 2013, Dublin

Seminar looking at international evidence and experiences in relation to fiscal measures – specifically Tax on Sugary Sweetened Drinks and Tax on Fat - as approaches in reducing cardiovascular disease and obesity.

This seminar arises from the European Heart Health Strategy II project which has received co-funding from the European Union, in the framework of the Health Programme. Sole responsibility for this seminar lies with the Irish Heart Foundation; the Executive Agency is not responsible for any use that may be made of the information contained herein.



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Background

Cardiovascular disease (CVD) causes death and disability on a massive scale across Europe and is the leading cause of death in Ireland.

In Ireland, CVD is the leading cause of death, with about 10,000 people die each year. Obesity is a major public health burden costing the state €1.1bn a year and it is putting children and adults at greater risk of developing cardiovascular disease. 23% of adults are obese; 1 in 4 primary school children and 1 in 5 teenagers are overweight or obese.

Ireland is facing a grim prospect that if we continue to ignore policies to tackle obesity, we will start to see a reversal in the reductions in mortality from CVD achieved over the last 50 years.

According to the report from the European Heart Network, ***Diet, Physical Activity and CVD Prevention*** (<http://www.ehnheart.org/publications/publications.html>) “the case for taking action on diet and physical activity to prevent CVD remains clear and compelling”.

The seminar was organized to look at the increasing evidence and experiences in fiscal policies such as health related food duties which could be considered to help make healthier food choices the easier choice.

The proposed tax on sugary sweetened drinks in Ireland and the reversal of the Danish government’s decision on the fat tax were two of the key topics.

Report

Diet and CVD prevention in Europe – a short overview

Dr Mike Rayner, Head of the British Heart Foundation Health Promotion Research Group at the Department of Public Health of the University of Oxford and main author of the EHN report ***Diet, Physical Activity and CVD Prevention*** outlined the latest evidence on the relationships between cardiovascular health and what we eat or how active we are.

Global disease burden study published in the Lancet, shows that diet-related deaths are out-stripping tobacco-related deaths in the UK.

The EHN report concludes that the policy response to diet and inactivity-related ill-health needs to come *predominantly* from making changes to the environment – in terms of the food supply and other factors which influence what people eat and how physically active they are”.

The EHN’s report presents a raft of different areas for policy action, including:

- Reformulation of food products to reduce the salt, saturated fat and added sugar content of foods and portion size;
- controlling advertising of unhealthy foods aimed at children;
- economic tools (taxes and subsidies) and pricing strategies to make healthier foods more affordable and appealing, and
- to make less healthy foods more expensive.

How do Ireland’s dietary goals and policies measure up?

Maureen Mulvihill, Head of Health Promotion, Irish Heart Foundation and organiser of the meeting showed that despite some improvements in relation to the Irish diet, Ireland is far from even the medium target intake of key nutrients that influence CVD.

In relation to policies, only a small number in relation to diet have been put in place: namely calories on menus; new but limited restrictions of advertising of foods high in fat, sugar and salt to children, a salt reduction programme and guidelines for pre-schools’ and primary schools’ healthy eating policies.

Key findings from the Irish Health Impact Assessment on sugar sweetened drinks.

Dr Noelle Cotter, Institute of Public Health Ireland described the first ever Health Impact Assessment of a Proposed Sugar Sweetened Drinks Tax commissioned by the Minister for Health, Dr James Reilly TD. The IPH undertook a population profile, a literature review and a stakeholder consultation session.

Consumption of SSBs is linked to age and gender and industry research on the soft drinks market anticipates increases in consumption. SSDs provide liquid calories which are unsatiating. They also displace nutritional calories in diets, e.g. milk. See link to full report

http://www.dohc.ie/publications/pdf/PSSDT_HIA.pdf?direct=1

Some Observations on Fiscal Policies to Combat Obesity

Dr David Madden, School of Economics, University College Dublin highlighted that

- Overall, the employment effects of tax on SSBs and subsidy on F&V likely to be neutral at worst (maybe even positive)
- On standard optimal tax grounds, higher taxes on soft drinks unlikely to be welfare improving
- Key issue is impact of tax on behaviour and ultimately on morbidity/mortality. Evidence here arguably still not conclusive

Key findings from the Irish Health Impact Assessment on sugar sweetened drinks

In his second presentation of the day, Dr Mike Rayner showed that 10% tax on the price of SSDs would reduce the number of obese adults by around 10,000 and the number of adults who are overweight, including obese, by 14,000. This represents a reduction in obesity of 1.25% and in overweight, including obese, of 0.67%.

The average reduction in energy intake in the adult population of Ireland, as a result of the tax would be 2.1 kcal per day, or 15 kcal per week; the predicted reduction is greater in the young (e.g. 32 kcal calories per week in those aged 18-24) and in regular drinkers of carbonated SSDs (35 calories per week). The impact of the tax on overweight and obesity across income groups would be broadly similar.

Lessons to be learned from the Danish tax on saturated fats

Denmark introduced a tax on saturated fats in foods on October 1, 2011. The tax was an element in a broad taxation reform aiming at reducing taxes on income and increasing taxes on environmental impacts and unhealthy behaviour. However, the political negotiations regarding the fiscal budget for 2013 lead to an agreement to abolish the tax on saturated fat from January 1, 2012.

Denmark also has sugar (confectionary) taxes and these are not a big issue. Despite the changes in the food taxes in the last number of months the sugar taxes remain in place

Some of the problems with the Danish experience:

- Limited involvement of stakeholders, authorities, experts
- Weaknesses in design and low commitment
- Few advocates to stand up against critique
- Change of cabinet, Sept 2011
- Primary objective at abolition: Protect jobs

Effects of the Danish taxation of sugar-sweetened beverages and other sugar products have not been evaluated, but they are expected to have a reducing effect on consumption. The Danish fat tax generated revenues for the government (about 1.2 billion DKK in tax revenues is expected from the Danish fat tax in 2012). The fat tax seems to have affected the consumption of fats while in place. Administrative feasibility of the tax – for authorities as well as for the industries - was found to be a critical issue. The tax opened a ‘window of opportunity’ for retailers to restructure their price setting, product sizing and marketing.

Lessons learned about health-motivated food tax schemes. It is important that

- ... a health-motivated tax is transparent
- ... a tax scheme is backed by experts and professionals
- ... potential health benefits can be understood and recognized by the consumers and other stakeholders
- ... administrative burdens to the industries are kept at a level that can be coped with.
- ... economic and political challenges related to the scheme are dealt with

Modelling the structure and distributive Impact of a Fat Tax for Ireland

Food taxes are regressive. However, the levels which are currently being proposed are quite small and the finding of regressivity doesn't take into account compensatory interventions which could be taken in parallel. There are already a number of precedents for the hypothecation of taxes in Ireland – the WEE levy, motor taxes, the plastic bag tax and tobacco tax.

Dr Micheál Collins's presentation showed that, *ceteris paribus*, a tax on saturated fats would increase household expenditure by on average €48 per annum (0.7% of average household expenditure on food); a tax on added sugar would increase household expenditure by on average €57 per annum (0.85% of average household expenditure on food); while a tax on added salt would increase household expenditure by on average €8 per annum (0.12% of average household expenditure on food). When the impact of these expenditure increases are examined across gross income household deciles the analysis shows these taxes to be mildly regressive.

The paper also estimates the potential revenue from these behavioural tax measures. Both the saturated fat and added sugar tax would generate additional annual tax revenue of more than €80m each while the added salt tax would yield more than €13m.

Main conclusions from discussions and workshops:

Q. We are looking at fiscal measures, but is the rise in obesity levels actually related to price?

Changes in obesity levels did tend to occur at the same time that there were major changes in food production. The prices of processed foods also fell significantly during this period.

Q. Why is the public health side always required to have strong evidence?

It seems there isn't the same onus on industry to provide evidence that the products they produce have benefits.

Q. On what side should the burden of proof lie?

Perhaps not introducing a tax would be more of a mistake than introducing it. Until countries start to take these steps we will not have sufficient real world evidence. In terms of obesity, it is all about marginal changes.

The impact of population measures are very hard to prove in a randomised control trial. Delaying because we do not have this type of information is an opportunity cost.

There is too much focus on scientific evidence and not enough emphasis on the moral dimensions of failing to act to curb obesity.

SSD consumption does not tend to occur in obese adults – they have already moved away from SSDs to try and reduce their weight. SSD consumption is high among the children who will be the obese adults in the future. A SSD tax is therefore a prevention measure.

SSDs are luxury products, much more like alcohol, than milk and water.

SSDs are not a product of substance. The right to market sugared-water is massively outweighed by the right of children to health.

The obesity paradox [some additional weight is good for health] is actually a BMI paradox, reflecting how poor BMI is as an instrument of measurement.

We must try our best in an evidence *informed* policy making environment.

The Safefood survey, 2010-2012 shows the acceptability of a SSD tax amongst the public.

One speaker said that food taxes should be used to provide funding to alleviate food poverty. The carbon tax debate years ago looked at the impact of the tax on welfare recipients. Instead of recommending ring-fencing for health promotion we could transfer the additional revenue to improve welfare rates.

Roundtable discussion

Comments on the morning session:

- There was some feeling that we are trying to *reprove* the benefit of tax as a public health measure. Such taxes are a well established element of public health practice.
- Evidence, especially in relation to jobs (as presented by D. Madden), is need to argue against industry's position.
- The presentations highlight the need to properly design any tax which is introduced.
- There was some questioning about why we are targeting sugar, when fat is the main dietary cause of CVD.

Does the group agree that the Government should introduce a tax on SSDs?

A vote was taken and 4 / 5 agreed. Agreement was unanimous if the revenue from the tax would be ring-fenced for public health.

Reasons in favour:

- Tax is a major element of the public health approach.
- SSDs are luxury and unnecessary products.
- The meeting shows that there is a groundswell in support for SSD taxes.
- There will also be significant benefits for public health.
- Even if the tax is introduced at a low level such as 10%, the very fact of the imposition of a tax will have an educational impact.

- A SSD tax seems like a good place to start.

Reasons against:

- Would a SSD tax tackle the right products? Perhaps a tax on saturated fat would have more of a public health impact.
- In the current environment, with rising food poverty is the introduction of tax sustainable?

What needs to be done to achieve implementation?

- Decide what level the tax should be set to influence behaviour.
- Ensure the tax is well designed.
- Have a number of champions to advocate for the tax.
- Ring-fencing of revenue and parallel introduction of a subsidy may be required.
- When the tax is introduced, run a campaign about the effects of SSDs.
- Look at how price promotions on SSDs, particularly in supermarkets, could be addressed.

Does the group agree that the Government should introduce a fat tax?

Opinion was divided but it was agreed that the Government should *consider* introduction of a fat tax, following a review of the experience in other countries.

There was also debate about whether a junk food tax (tax on a particular category of food) should be considered instead. This would target processed food, rather than natural meat products (as would be in the case of the fat tax). There was a sense that the introduction of taxes on food was designed to move people away from processed products, rather than the traditional Irish diet which includes pork and other meats.

Conclusion of the meeting

There was agreement that a SSD tax could form part of a recommended expert statement from the seminar. A fat tax required further consultation and research into the best design, etc.

Outcomes from this seminar

- August 2013: Learnings and discussion from this seminar informed the Foundation's Pre Budget submission on SSDs calling for 20% tax on sugar-sweetened beverages and standardisation of VAT rates to reflect healthfulness of food and drinks.
<http://www.irishheart.ie/media/pub/advocacy/prebudgetobesity2014.pdf>
- Release available on pre-budget submission at: <http://www.irishheart.ie/iopen24/seekshike-sugary-drinks-fight-obesity-n-426.html>
- September 2013: Presentation to Oireachtas (All party) Committee on Health. Transcript of committee hearing available at:
[http://oireachtasdebates.oireachtas.ie/Debates%20Authoring//WebAttachments.nsf/\(\\$vLookupByConstructedKey\)/committees~20130926~HEJ/\\$File/Daily%20Book%20Unrevised.pdf?openelement](http://oireachtasdebates.oireachtas.ie/Debates%20Authoring//WebAttachments.nsf/($vLookupByConstructedKey)/committees~20130926~HEJ/$File/Daily%20Book%20Unrevised.pdf?openelement)
- October 2013: Royal College of Physicians of Ireland Policy Group on Obesity publically support our call for a 20% tax on SSDs. Press release available at:
<http://www.rcpi.ie/article.php?locID=1.11.30&itemID=643>
- October 2013: Budget 2014 does not include SSD tax.
- November 2013: Minister for Finance responds to a Parliamentary Question on sugar and fat taxes saying he believes further research is required to assess the efficacy of such measures and how such taxes could be designed and levied.
- November 2013: Irish Heart Foundation to continue to lobby for 20% tax on SSD's

Appendix 1



Food, Fat and Fiscal Measures in preventing CVD and Obesity

Wednesday 20th March 2013

Gibson Hotel, The Point Village, Dublin 1

Cardiovascular disease (CVD) causes death and disability on a massive scale across Europe and is the leading cause of death in Ireland.

According to the recent report from the European Heart Network, *Diet, Physical Activity and CVD Prevention** “the case for taking action on diet and physical activity to prevent CVD remains clear and compelling”.

This seminar will outline some of the key dietary and physical activity goals required to reduce the prevalence of CVD and looks at what policies can support individual behaviour changes and create a healthier environment.

Given the recent focus on using fiscal measures to tackle CVD and obesity, such as the proposed tax on sugary sweetened drinks in Ireland and the reversal of the Danish government’s decision on the fat tax, this seminar aims to explore various health related food duties which could be considered to help make healthier food choices the easier choice.

This seminar will be of interest to public health, health promotion, nutrition and dietetic professionals, economists, academics, government departments, media and politicians.

* <http://www.ehnheart.org/publications/publications.html>

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Appendix 1

Programme

- Chair:** **Owen Metcalfe**, Director, Institute Public Health Ireland and Chairperson, National Heart Alliance.
- 09.00 Welcome Introduction
Barry Dempsey, CEO, Irish Heart Foundation
- 09.05 Diet and CVD prevention in Europe – a short overview
Dr Mike Rayner, Director, British Heart Foundation Health Promotion Research Group
Department of Public Health, University of Oxford
- 09.40 How do Ireland’s dietary goals and policies measure up?
Maureen Mulvihill, Head of Health Promotion, Irish Heart Foundation
- 09.55 **Break**
- Chair:** **Dr John Devlin**, Deputy Chief Medical Officer, Department of Health and Chair of Special Action Group on Obesity
- 10.15 **Fiscal Measures**
Key findings from the Irish Health Impact Assessment on sugar sweetened drinks:
Dr Noelle Cotter, Public Health Development Officer, Institute of Public Health in Ireland
Prof David Madden, School of Economics, University College Dublin
Dr Mike Rayner, Director, British Heart Foundation Health Promotion Research Group
Department of Public Health, University of Oxford
- 11.00 Denmark’s experience on food taxes and subsidies including update on reversal of saturated fat and sugar taxes.
Professor Jørgen Dejmård Jensen, associate professor at the Institute of Food and Resource Economics at the University of Copenhagen.
- 11.35 Irish research on Food Taxation
Dr Micheál Collins, Economist and Senior Research Officer , Nevin Economic Research Institute (NERI)
- 11.45 Discussion
- 12.10 Participant round table discussion
- 13.10 Feedback , next steps and conclusion
Owen Metcalfe, Director, Institute Public Health Ireland and Chairperson, National Heart Alliance and **Chris Macey**, Head of Advocacy, Irish Heart Foundation
- 13.40 LUNCH
- 14.15 ENDS

Appendix 2

Attendee List



Speakers (L-R)

Dr John Devlin – Department of Health and Children

Mr Owen Metcalfe – Institute of Public Health

Dr Noelle Cotter – Institute of Public Health

Mr Barry Dempsey – CEO, Irish Heart Foundation

Dr Mike Rayner – British Heart Foundation Health Promotion Research Group

Dr Micheal Collins – Economist and Senior Research Officer, Nevin Economic Research Institute

Prof David Madden – School of Economics, UCD

Ms Maureen Mulvihill – Irish Heart Foundation

Prof Jørgen Dejgård Jensen – Institute of Food and Resource Economics at the University of Copenhagen

Mr Chris Macey – Head of Advocacy, Irish Heart Foundation, not in picture

Attendees

Ms Sandra Barnes – Department of Health

Dr Regina Black – HSE

Senator Colm Burke – Dail Eireann

Ms Mary Callaghan – National University of Ireland, Galway

Dr Claire Connolly – National University of Ireland, Galway

Dr Muireann Cullen – Nutrition and Health Foundation
Ms Irene Cunningham – Community Dietitian, HSE
Mr Thomas Cushion – University College Dublin, Student
Ms Kirsten Doherty - Dept. of Preventative Medicine & Health Promotion, St. Vincent’s University Hospital
Ms Orla Duffy – Community Dietitian, HSE
Dr Nazih Eldin – Health Promotion, HSE
Mr Oran Finnegan – Dept. of Preventative Medicine & Health Promotion, St. Vincent’s University Hospital
Miss Sinead Finnegan – The Beverage Council of Ireland
Dr Francis Finucane – National University of Ireland, Galway
Ms Richelle Flanagan – Irish Nutrition & Dietetic Institute
Ms Eimear Flannery – Health Promotion Department, Irish Heart Foundation
Dr Mary Flynn – Food Safety Authority of Ireland
Ms Clíodhna Foley Nolan – Safefood
Prof Ian Graham – Charlemont Clinic
Dr Janas Harrington – University College Cork
Dr Fenton Howell – Department of Public Health
Mr Declan Jackson – The Beverage Council of Ireland
Dr Siobhan Jennings - Department of Public Health
Ms Sinead Keenan – Healthy Food for All
Mr David Kelly – Dept. of Preventative Medicine & Health Promotion, St. Vincent’s University Hospital
Ms Claire Kerins – Croi
Ms Etain Kett – Dental Health Foundation
Ms Mary Mc Carthy – Community Dietitian, HSE
Ms Cliona Mc Cormack – Advocacy Department, Irish Heart Foundation
Mr Alvin Mc Evoy – Dundalk Institute of Technology
Dr Aileen Mc Gloin – Safefood
Mr Neil Mc Gowan - Kellogg Company of Ireland
Dr Andrea Mc Neilly – University of Ulster
Dr Brid Moloney – Dundalk Institute of Technology
Dr Elaine Mooney – St. Angela’s College, Sligo
Ms Janis Morrissey - Dietitian, Irish Heart Foundation
Ms Marie Murray – Trinity College Dublin
Mr Denis Naughten – Dail Eireann
Mr Brian Neeson – Health Promotion, HSE
Ms Kellie O’ Connor – Danone Ireland
Ms Clodagh O’ Donoghue – The Consumers Association of Ireland
Ursula O’ Dwyer – Department of Health
Mrs Siobhan O’ Grady – University of Ulster student & P/T nutrition advisor
Mr Kevin O’ Hagan – Irish Cancer Society
Ms Ailish O’ Neill – National Youth Council of Ireland
Mr Cormac O’ Sullivan – publicpolicy.ie
Ms Katy Watson – Nutrition and Health Foundation
Ms Susan-Jane White – The Sunday Independent
Mr Trevor White

Appendix 3

Bios and Abstracts

Dr. Mike Rayner

Director, British Heart Foundation Health Promotion Research Group (BHFHPRG).

From 1986 to 1993 Mike was Senior Research Officer for the Coronary Prevention Group - at the time the leading national voluntary organisation concerned with the prevention of coronary heart disease in the UK. Prior to that Mike was a Wellcome Research Fellow at the Wellcome Unit for the History of Medicine at the University of Oxford.

As well as Director of the Group Mike works closely with voluntary and statutory organisations concerned with health in the UK and in Europe. He is currently Chair of Sustain: the alliance for better food and farming, and a trustee of the National Heart Forum. He is Chair of the Nutrition Expert Group of the European Heart Network and a member of the Public Health Interventions Advisory Committee of NICE (the National Institute for Health and Clinical Excellence).

Abstract: Diet and CVD prevention in Europe – a short overview

The EHN report reviews the latest evidence on the relationships between cardiovascular health and what we eat or how active we are. It looks at current European eating and physical activity patterns and proposes a series of policy actions.

CVD is largely preventable and 8 risk factors account for 60% of CVD, of which 7 relate to diet and physical activity: alcohol, high BP, overweight/obesity, high blood cholesterol, high blood glucose and low fruit and veg intake and physical inactivity.

Despite some areas of progress most countries throughout Europe are far from achieving current population goals for diet and physical activity. The report recommends medium and long term goals e.g. average intakes of total fat, saturated fat, fruit and vegetables, total carbohydrate, added sugars, salt, fibre etc.

In general, Europeans are eating more than they used to. Wider availability of food (more opportunities to buy food) and falling prices for many foods have helped to push intakes up. Sales of snacks, confectionary and soft drinks have grown significantly, as has the number of fast food outlets, throughout the European region over recent decades.

The policy response to diet and inactivity-related ill-health needs to come **predominantly** from making changes to the environment – in terms of the food supply and other factors which influence what people eat and how physically active they are.

The European Heart Network's report presents a raft of different areas for policy action, such as reformulation of food products to reduce the salt, saturated fat and added sugar content of foods and portion size; Controlling advertising of unhealthy foods aimed at children; and economic tools (taxes and subsidies) and pricing strategies to make healthier foods more affordable and appealing, and to make less healthy foods more expensive.

Maureen Mulvihill

Health Promotion Manager, Irish Heart Foundation.

Biography: Maureen has worked for over twenty years with the Irish Heart Foundation and is head of health promotion programmes in the workplace, schools and community and has worked on several CVD prevention policy issues including Going Smoke free. Maureen is a founding member of the *National Heart Alliance* (with representation from 20 organisations) who together with the Foundation have advocated for policy changes to improve and protect children's heart health, including advertising restrictions on broadcast media for foods high in fat, sugar and salt.

Abstract: How do Ireland's dietary goals and policies measure up?

As with trends in Europe, CVD is the leading cause of death in Ireland. Despite some improvements in relation to the Irish diet, we are far from even the medium target intake of key nutrients that influence CVD. Only a small number of policies in relation to diet have been put in place: namely calories on menus; new but limited restrictions of advertising of foods high in fat, sugar and salt to children, a salt reduction programme and guidelines for pre-schools' and primary schools' healthy eating policies.

Dr. Noëlle Cotter

Public Health Development Officer (Policy) with the Institute of Public Health in Ireland (IPH)

Biography: Dr Cotter has been with IPH for over two years and in 2012 alongside IPH colleagues, completed a Health Impact Assessment of a Proposed Sugar Sweetened Drinks Tax for the Department of Health. Dr Cotter contributes to IPH's annual Health Impact Assessment three-day training courses and is currently involved in an EU project, Equity Action, which considers the role of equity in Health Impact Assessment.

Abstract: Key findings from the Irish Health Impact Assessment on sugar sweetened drinks.

In 2012, the Institute of Public Health in Ireland (IPH) were asked by the Department of Health to undertake a Health Impact Assessment (HIA) of a Proposed Sugar Sweetened Drinks Tax. HIA is a combination of procedures, methods and tools by which a policy, programme or project may be judged as to its potential effects on the health of a population, and the distribution of those effects within the population. IPH is a lead agency in supporting the development of HIAs and a Health in All Policies approach, and delivers training in HIA on the island of Ireland. The HIA on a Proposed Sugar Sweetened Drinks Tax was overseen and guided by a steering group who provided conclusions based on the HIA for presentation to the Special Action Group on Obesity. For this HIA of a Proposed Sugar Sweetened Drinks Tax, IPH undertook a population profile, a literature review and a stakeholder consultation session. Today's presentation gives an overview of key findings, current research questions regarding Sugar Sweetened Drinks and principle arguments and questions surrounding a possible introduction of a tax of Sugar Sweetened Drinks.

Professor David Madden

Associate Professor of Economics at University College Dublin.

Biography:

Prof Madden was educated at University College Dublin and Oxford University. He has worked at UCD since 1991 and his previous work experience includes AIB Investment Managers, the Central Bank of Ireland, NUI Maynooth, the Ministry of Health, Kaduna, Nigeria and the Economic and Social Research Institute. David's primary research interests are in the areas of health, poverty and inequality. He has published on health related matters, including obesity, in the *Journal of Health Economics*, *Health Economics* and *The Journal of the Royal Statistical Society*. He has also published in the area of tax reform in the *Economic Journal* and *Fiscal Studies*. He has previously advised the Irish government in the area of tobacco control and was a member of the Health Impact Assessment Steering Group appointed to investigate the issue of a tax on sugar-sweetened beverages. He is

currently a member of the oversight board for the recently established Irish Government Economic and Evaluation Service.

Abstract: Some Observations on Fiscal Policies to Combat Obesity

This presentation will discuss some of the issues involved in the use of tax or subsidy policy to combat obesity. Amongst the topics covered will be:

- What are the distributional consequences of fat taxes? Taxes on food tend to be regressive in the sense that they impact more upon less well-off households. Is it possible to arrive at a mix which will mitigate this problem?
- Should revenue collected be ring-fenced for other anti-obesity programmes? Ring-fencing the revenue from “fat-taxes” is an attractive way of guaranteeing further resources to use in combating obesity. What are the advantages and disadvantages of such a strategy?
- Should we be worried about the employment consequences of fat-taxes? In an era of high unemployment, should we resist the imposition of fat taxes for fear of creating job losses in the food industry?

Mike Rayner

Director, British Heart Foundation Health Promotion Research Group
Department of Public Health, University of Oxford

Abstract: Key findings from the Irish Health Impact Assessment on sugar sweetened drinks

As part of the Health Impact Assessment commissioned by the Minister for Health, Dr James Reilly TD, the British Heart Foundation Health Promotion Research Group at the Department of Public Health of the University of Oxford were invited to model the effects of a 10% tax on sugar sweetened drinks (SSDs) on obesity and overweight in Ireland, and to describe the effects by age, income group, and consumption (regular consumers of carbonated SSDs compared to low consumers or carbonated SSDs). To model the effects of a 10% tax on SSDs we applied international estimates for the consumption response to price rises to Ireland (using local data on consumption of SSDs). From the estimated reduction in consumption of SSDs a reduction in calorie intake was estimated. A set of validated equations that describe the relationship between energy balance and body weight were used to predict the effects of a calorie reduction on body mass index in Ireland (using local data on prevalence of overweight and obesity).

The results of this modelling indicate that a 10% tax on the price of SSDs would reduce the number of obese adults by around 10,000 and the number of adults who are overweight, including obese, by 14,000. This represents a reduction in obesity of 1.25% and in overweight, including obese, of 0.67%. The average reduction in energy intake in the adult population of Ireland, as a result of the tax would be 2.1 kcal per day, or 15 kcal per week; the predicted reduction is greater in the young (e.g. 32 kcal calories per week in those aged 18-24) and in regular drinkers of carbonated SSDs (35 calories per week). The impact of the tax on overweight and obesity across income groups would be broadly similar. Of the 10,000 fewer obese adults, approximately 80% would be regular consumers of carbonated SSDs. (There would be a 3.3 % reduction in obesity among regular consumers who are obese compared to a 0.5% reduction among low consumers who are obese).

Professor Jørgen Dejgaard Jensen

Economist and associate professor at the Department of Food and Resource Economics at the University of Copenhagen.

Biography: Jørgen Dejgaard Jensen has for many years done economic research within the fields of food consumption, including the potential role of economic mechanisms to support developments

to more healthy and sustainable food consumption patterns. One of his research topics is the role of food taxes as a tool in health promotion policy.

Abstract: Lessons to be learned from the Danish tax on saturated fats

Denmark introduced a tax on saturated fats in foods on October 1, 2011. The tax was an element in a broad taxation reform aiming at reducing taxes on income and increasing taxes on environmental impacts and unhealthy behaviour. As a preparation for the fiscal budget 2013, the government proposed to expand the taxation base of the existing sugar tax to comprise a broader range of products, such as canned fruits and vegetables, jam etc. However, the political negotiations regarding the fiscal budget for 2013 lead to a final agreement to skip broadening of the tax base, as well as to abolish the tax on saturated fat from January 1, 2012. The presentation provides a background for introduction of the fat tax, a description of the tax scheme, some results regarding the effects of the tax, and a discussion of the process leading to the abolishment of the tax on saturated fat. It is also attempted to draw some lessons from the Danish experience that might be useful for Ireland.

Dr Micheál Collins

Dr Micheál Collins is Senior Research Officer at the Nevin Economic Research Institute.

Biography: Research interests are in the areas of income distribution, minimum incomes, taxation, economic evaluation and public policy. Prior to joining the NERI he was Assistant Professor of Economics at Trinity College Dublin. He is vice-chairman of the Irish Social Policy Association (ISPA) and a former chairman of the Regional Studies Association (RSA) of Ireland. He was a member of the Commission on Taxation (2008-2009) and served as chairman of the Commission subgroup on Tax Expenditures/Tax Breaks. In 2011 he was appointed a member of the Government Advisory Group on Tax and Social Welfare (AGTSW). He is a graduate of NUI Galway, UCC and the University of Dublin, Trinity College and a fellow of the International Regional Studies Association (FRSA).

Abstract: Modelling the structure and distributive Impact of a Fat Tax for Ireland

A recent addition to the evolving suite of behavioural taxes in operation across developed countries has been a set of taxes focused on foods with 'high' levels of saturated fat and added sugar and salt. In general, these 'Fat taxes' have been linked to concerns regarding the excess consumption of calorie heavy food and increasing levels of obesity.

This paper examines the possible structure of a Fat Tax, its potential impact on household expenditure and the scale of revenue such a tax would produce. Using household expenditure data from the most recent CSO Household Budget Survey the paper models, individually and collectively, (i) a tax on foods with saturated fat levels of more than 2.3%; (ii) a tax on foods with added sugar; and (iii) a tax on foods with added salt. The rates of taxation have been determined by approximating the rates applied by similar taxes in a number of other European countries.

The paper finds that, *ceteris paribus*, a tax on saturated fats would increase household expenditure by on average €48 per annum (0.7% of average household expenditure on food); a tax on added sugar would increase household expenditure by on average €57 per annum (0.85% of average household expenditure on food); while a tax on added salt would increase household expenditure by on average €8 per annum (0.12% of average household expenditure on food). When the impact of these expenditure increases are examined across gross income household deciles the analysis shows these taxes to be mildly regressive. The paper also estimates the potential revenue from these behavioural tax measures. Both the saturated fat and added sugar tax would generate additional annual tax revenue of more than €80m each while the added salt tax would yield more than €13m.

IHF says fiscal measures are an import policy tool in preventing CVD and Obesity
10% tax on sugar sweetened drinks could reduce obesity and overweight numbers by 14,000

Today (20 March) the Irish Heart Foundation national charity fighting heart disease and stroke again urged the Government to implement a tax on Sugar Sweetened Drinks (SSDs) as a key tool in tackling rising levels of obesity here.

The latest plea followed the results of a health impact assessment (HIA) commissioned by Minister for Health Dr James Reilly, T.D., which was presented at the Irish Heart Foundation Euroheart seminar in Dublin and found that a 10% tax on sugar sweetened drinks had the potential to reduce the number of people who would become obese or overweight in Ireland by 14,000.

Mr Barry Dempsey, Chief Executive of the Irish Heart Foundation said the results of the health impact assessment confirmed it is time for our Government to get serious about tackling the problem of obesity in this country. He said: "Obesity is a major public health burden costing the state €1.1bn a year and it is putting children and adults at greater risk of developing cardiovascular disease, the number one cause of death here. Ireland is facing a grim prospect that if we continue to ignore policies to tackle obesity, we will start to see a reversal in the reductions in mortality from CVD achieved over the last 50 years.

"Sugar sweetened drinks have little or no nutritional value and they are packed with calories. The introduction of a tax to drive down consumption of these beverages seems like a no-brainer to protect our children."

As part of the health impact assessment (HIA) renowned international expert **Dr Mike Rayner**, Director, British Heart Foundation Health Promotion Research Group Department of Public Health, University of Oxford, was invited to model the effects in Ireland of a 10% tax on sugar sweetened drinks (SSDs) on obesity and overweight. Dr Rayner estimated that a 10% tax on sugar sweetened beverages could potentially lead to a 1.25% reduction in obesity, which would reduce the number of obese adults by around 10,000 in Ireland and the total number of adults who are overweight, including obese, by 14,000. The effects on calorie intake and therefore on overweight and obesity would be greatest in younger age-groups and regular drinkers of sugar sweetened beverages.

Meanwhile main author of the HIA report **Dr Noelle Cotter**, Institute of Public Health in Ireland, added that per capita Ireland is consuming 83 litres of sugary fizzy drinks a year, with teenage boys as the country's biggest consumers. The report portrayed a shocking picture of Ireland's young children with 15% of two- to four-year-olds regarded as overweight and 3% obese. For adults, more than 1 in 3 is overweight and 1 in 4 is obese. The report

highlighted while solutions to the problem of overweight and obesity are not simple, the food environment can certainly form an integral part of addressing this issue.

International speaker **Professor Jørgen Dejgård Jensen**, associate professor at the Institute of Food and Resource Economics at the University of Copenhagen, shared the Danish experience which saw a reversal of their government's decision and the abolishment of a fat tax. Professor Jensen said that lessons can be learnt from taxation policy in other jurisdictions. He said: "It is important that a health-motivated tax is transparent and that the potential health benefits can be understood and recognized by the consumers and other stakeholders. It is also important that administrative burdens to the industries are kept at a level that can be coped with."

Presenting on the recent report by the EHN (European Heart Network) on Diet, Physical Activity and CVD Prevention* Dr Mike Rayner concluded: "The policy response to diet and inactivity-related ill-health needs to come *predominantly* from making changes to the environment – in terms of the food supply and other factors which influence what people eat and how physically active they are".

The EHN's report presents a raft of different areas for policy action, including:

- Reformulation of food products to reduce the salt, saturated fat and added sugar content of foods and portion size;
- controlling advertising of unhealthy foods aimed at children;
- economic tools (taxes and subsidies) and pricing strategies to make healthier foods more affordable and appealing,
- and to make less healthy foods more expensive.

The Euroheart seminar hosted by the Irish Heart Foundation arises from the European Heart Health Strategy II project which has received co-funding from the European Union, in the framework of the Health Programme. Sole responsibility for this seminar lies with the Irish Heart Foundation; the Executive Agency is not responsible for any use that may be made of the information contained herein.

ENDS

* <http://www.ehnheart.org/publications/publications.html>

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Appendix 5

Media coverage

Radio/TV interviews

Station	Date
Newstalk (national radio interview)	19.3.13
UTV radio (regional radio interview)	19.3.13
TV3 News (national TV interview)	20.3.13
Sunshine radio (regional radio interview)	20.3.13
Newstalk lunchtime (national radio interview)	20.3.13
Highland radio (regional radio interview)	21.3.13
Clare FM (regional radio interview)	21.3.13

Newspaper articles

Newspaper	Date
Irish Daily Mirror (national newspaper)	21.3.13
Irish Examiner (national newspaper)	21.3.13
The Irish Sun (national newspaper)	21.3.13
Irish Daily Star (national newspaper)	21.3.13