

Fat Tax and All That: the pros and cons of taxing food



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Why tax or subsidise food & drinks?

- ▶ UN summit on NCDs recognised a role for food taxes
- ▶ WHO Commission on Ending Childhood Obesity notes “the rationale for and effectiveness of taxation measures to influence consumption are well-supported by the available evidence”
- ▶ Tobacco tax is highly effective in reducing consumption.



Examples: Mytton et al, BMJ 2012

Table 1 | Examples of health related food taxes

Country	Date introduced	Foods taxed
US	Various	Sugar sweetened drinks (in 23 states)
Norway	1981	Sugar, chocolate, and sugary drinks
Samoa	1984	Soft drinks
Australia	2000	Soft drinks, confectionary, biscuits, and bakery products
French Polynesia	2002	Sweetened drinks, confectionary, and ice cream
Fiji	2006	Soft drinks
Nauru	2007	Sugar, confectionary, carbonated drinks, cordial, and flavoured milks
Finland	2011	Soft drinks and confectionary
Hungary	2011	Foods high in sugar, fat, or salt and sugary drinks
Denmark	2011	Products with more than 2.3% of saturated fat: meat, dairy products, animal fats, and oils
France	2012	Drinks containing added sugar or sweetener

The Problem

- ▶ Taxes and subsidies on food are receiving increasing attention internationally as interventions to reduce morbidity and mortality from obesity & NCDs.
- ▶ However, little is currently known about policy makers' views regarding the feasibility & acceptability of such initiatives, including in New Zealand.



Research Aim & Methods

Research Aim

- ▶ To determine the feasibility and likely acceptability of selected food taxes and subsidies in New Zealand over the next 5-10 years.



Aim & Method

- ▶ Interviews with 17 key stakeholders including politicians; bureaucrats; & food industry, public health & consumer representatives.
- ▶ Discussed a range of taxes & subsidies on food





Initial Results

Feasibility: Pros & Cons

	Soft drinks	GST off FV	Fat	Salt	Combined FV, F, S
Evidence	√	√	X	X	X
Equity - health	√	X	O	O	X
Tax	√	X	X	X	X
Implementation	O	X	X	X	X
Context	√	√	X	√	X



Acceptability: Pros & Cons

	Soft drinks	GST off FV	Fat	Salt	Combined FV, F, S
Public	O	√	X	X	X
Public Health	√	√	X	X	X
Industry	O	√	X	X	X
Bureaucrats	O	X	X	X	X
Politicians	O	X	X	X	X





Conclusions

Score card on fat tax and ...

	Soft drinks	GST off FV	Fat	Salt	Combined FV, F, S
Feasibility	4	2	0	1	0
Acceptability	1	3	0	0	0
Total (n = 10)	5	5	0	1	0
Alternatives	Sugary drinks Tax	Smart card FV subsidy beneficiaries & low-income	X	Reformulation	SSBs & GST off FV

Where to from here?

GST off FV X

- ▶ Tax system key barrier
- ▶ Alternative smart card for low-income people and beneficiaries that maybe more equitable

Start with tax on SSBs ✓

- ▶ Frame as “protecting the health of our children” 15/17 agreed
- ▶ Use international law - UNCROC to support our arguments
- ▶ Frame to politicians “do we want to be the fattest nation in the OECD?”
- ▶ It may take 5-10 years
- ▶ Other more palatable interventions first
 - food in schools, marketing in sport, ASA system changed



Conclusions

- ▶ “Someone needs to organise a **campaign** to build public support and work on susceptible politicians” with paediatricians, Dental Association, child advocate groups such as Plunket, children’s commissioner
- ▶ Recent interim report of WHO Commission “highlights the importance of **leadership at the level of governments** to provide an appropriate regulatory and statutory framework to tackle childhood obesity” (Gluckman et al The Lancet, 2015).
- ▶ Ending childhood obesity “is **a multidimensional challenge**”
- ▶ **Tax on SSBs** can, according to key stakeholders, be part of the solution.



Say no to **X** sugary drinks