

**Oireachtas Committee on Budgetary Oversight review of Chapter 15 of the  
Commission on Taxation and Welfare's *Foundations for the Future* report  
19/04/2023**

The Irish Heart Foundation welcomes the opportunity to discuss Chapter 15 of the report of the Commission on Taxation and Welfare. We also welcome the Commission's strong backing for the use of taxation as a lever to improve public health in Ireland. In particular, we support its recommendation to help tackle Ireland's obesity crisis through additional fiscal measures to incentivise reformulation of unhealthy foods.

This is the focus of our statement, although taxation continues to play a critical role in tobacco control and alcohol policy.

The outlook in Ireland in relation to childhood obesity is truly horrific. Before the pandemic, State-funded research estimated it will cause the premature death of one in every 20 of this generation of children<sup>i</sup>. We had evidence of children as young as eight presenting with high blood pressure in large numbers<sup>ii</sup> and teenagers with a cardiovascular age into the 60s<sup>iii</sup>.

Things are even worse now. Consumption of unhealthy food rose sharply during Covid, whilst physical activity levels plummeted. We don't yet know the full impact of the pandemic, but in the UK there have been record increases in obesity levels among primary schoolchildren<sup>iv</sup> that experts believe have been mirrored here<sup>v</sup>.

Obesity is a complex problem with a vast array of causes. Fiscal measures aren't a solution in isolation, but are an important part of a larger portfolio of policy measures, particularly when designed with public health in mind like the sugar sweetened drinks (SSD) tax, or combined with complementary interventions such as fruit and vegetable subsidies.

Balancing taxation with subsidies is vital against a backdrop of likely long-term cost of living pressures and what the Commission describes as a health equity gradient where obesity rates are much greater in disadvantaged communities. We also know that disparities in these rates are continuing to widen, particularly among older primary schoolchildren.

Affordable healthy diets are out of the reach of many families – a fact borne out by Food Safety Authority of Ireland research<sup>vi</sup> showing that healthy calories, from say fruit, or lean meat costs up to ten times more than the unhealthy calories from products, such as processed meats or frozen pizzas. The positive impact of tax measures could be magnified and any regressive impacts minimised by using the receipts in targeted ways. For example, since the introduction of the SSD tax, the IHF has called for its proceeds to be used to provide all children with access to a healthy diet through a Children's Future Fund.

The facts demonstrate that the extension of the SSD tax are likely to have a powerful impact in combating obesity. Our tax was based on the UK's Soft Drinks Industry Levy and given that our beverage markets are integrated, similar effects are highly likely. Within a year of its introduction in the UK the total sugar sold in soft drinks decreased by 35.4%<sup>vii</sup>, Over 45,000 tonnes of sugar was removed from sale and there was a reduction of 6,500 in calorie

intake per annum per UK resident<sup>viii</sup>. Due to a massive shift in sales to low and no sugar drinks, the industry's long-term profitability was not harmed<sup>ix</sup>.

This represents significant impact, but it would be dwarfed by the ultra-processed food tax recommended by the Commission, given that such products account for almost half of the contents of Irish shopping baskets, or a comprehensive sugar tax such as that now being proposed in the UK. Such measures would have a massive potential to reduce the national waistline and if designed correctly with no long-term impact on industry profitability.

But let's be clear. What we need is mandatory interventions incentivising reformulation. Voluntary programmes have failed miserably. As the Commission notes, they can also delay more substantive strategies and can be used by industry to divert policy away from mandatory measures. This is backed up by much research, such as a study<sup>x</sup> showing an increase in sugar in chocolate confectionery of 23% since 1992.

The Commission's rationale for taxation on unhealthy food is clear. It is underpinned by statistics showing, for example, that sugar intake among three-year-old children is 250% above recommended levels<sup>xi</sup>, fat intake among 5-12 year-olds is 40% higher<sup>xii</sup> and salt intake among 4-6 year-olds is two-thirds higher than daily guidelines<sup>xiii</sup>.

We also know the Department of Finance has been interested in examining this area for some time. But they are unable to move until the Department of Health concludes its evaluation of the SSD tax on the Irish soft drinks market.

We are less now than two weeks away from the fifth anniversary of the introduction of the SSD tax in Ireland. The UK levy was introduced three weeks earlier, but the first evidence of impact there was published by Public Health England over three and a half years ago<sup>xiv</sup> and there has been much further research since.

It is not acceptable that a report so crucial to the nation's health has been delayed so long and if we can ask members for one thing this evening, it is to demand that the Department of Health prioritises completion and publication of the evaluation.

We are abjectly losing the war on obesity and the consequences, particularly for our children's future health, are dire. It is unconscionable that we are failing to make proper use of one of the most powerful policy weapons at our disposal.

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- <sup>i</sup> UCC School of Public Health for Safefood November 2017  
<http://www.safefood.eu/SafeFood/media/SafeFoodLibrary/Documents/Publications/Research%20Reports/Cost-of-childhood-obesity-Report.pdf>
- <sup>ii</sup> UCC School of Public Health for Safefood <https://www.ucc.ie/en/publichealth//research/foodhealth/>
- <sup>iii</sup> <https://www.irishtimes.com/news/education/the-irish-times-view-on-young-people-s-health-mandatory-pe-is-a-move-in-the-right-direction-1.3788729>
- <sup>iv</sup> National Child Measurement programme, England 2021-2021; <https://digital.nhs.uk/data-and-information/publications/statistical/national-child-measurement-programme/2020-21-school-year>
- <sup>v</sup> <https://www.independent.ie/irish-news/health/the-devastating-impact-of-obesity-on-kids-revealed-as-levels-rise-5pc-during-pandemic-42046846.html>
- <sup>vi</sup> [https://www.fsai.ie/news\\_centre/press\\_releases/healthy\\_eating\\_guidelines\\_28012019.html](https://www.fsai.ie/news_centre/press_releases/healthy_eating_guidelines_28012019.html)
- <sup>vii</sup> Sugar reduction Report on progress between 2015 and 2019, Public Health England; [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/984282/Sugar\\_reduction\\_progress\\_report\\_2015\\_to\\_2019-1.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/984282/Sugar_reduction_progress_report_2015_to_2019-1.pdf)
- <sup>viii</sup> <https://www.iza.org/de/publications/dp/14528/does-a-spoonful-of-sugar-levy-help-the-calories-go-down-an-analysis-of-the-uk-soft-drinks-industry-levy>
- <sup>ix</sup> Law C., Cornelson L., Adams J., and others. An analysis of the stock market reaction to the announcements of the UK Soft Drinks Industry Levy. *Econ Hum Biol.*, 2020, Vol 38, August 2020, retrieved 11 November 2022, [www.sciencedirect.com/science/article/pii/S1570677X19302096](http://www.sciencedirect.com/science/article/pii/S1570677X19302096)
- <sup>x</sup> Hashem KM, He FJ, Alderton SA, MacGregor GA. Cross-Sectional Survey of the Amount of Sugar and Energy in Chocolate Confectionery on Sold in the UK in 1992 and 2017. *Nutrients*. 2019 Aug 3;11(8):1798. doi: 10.3390/nu11081798. PMID: 31382636; PMCID: PMC6723546
- <sup>xi</sup> Estimation and consumption pattern of free sugar intake in 3-year-old Irish preschool children *European Journal of Nutrition*, July 2019; Michael Crowe, Michael O’Sullivan, Oscar Cassetti, Aifric O’Sullivan <https://link.springer.com/article/10.1007/s00394-019-02056-8>
- <sup>xii</sup> <https://irpcdn.multiscreensite.com/46a7ad27/files/uploaded/The%20National%20Children%27s%20Food%20Survey%20II%20Summary%20Report%20-%20September%202019.pdf>
- <sup>xiii</sup> [https://www.fsai.ie/science\\_and\\_health/salt\\_and\\_health/the\\_science\\_of\\_salt\\_and\\_health.html](https://www.fsai.ie/science_and_health/salt_and_health/the_science_of_salt_and_health.html)
- <sup>xiv</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/839756/Sugar\\_reduction\\_yr2\\_progress\\_report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/839756/Sugar_reduction_yr2_progress_report.pdf)