



JILLIAN VAN TURNHOUT
SENATOR

Michael Noonan TD
Minister for Finance
Department of Finance
Merrion Street
Dublin 2

16 September 2015

Re: Investing in Children's Future Health

Dear Minister Noonan,

I write to you over concerns I have about children's health and particularly issues relating to obesity and child poverty. I urge you to implement a sugar sweetened drinks tax in the upcoming Budget. Such a tax can help to tackle the obesity problem by reducing consumption and generating income for reinvestment in children's health initiatives, whilst also assisting the Department of Finance to meet its fiscal goals.

I recommend the following measures for Budget 2016, which have already been proposed by the Irish Heart Foundation in its Pre-Budget Submission:

1. Reduce consumption and gain revenue through a 20% tax on sugar sweetened drinks (SSDs).
2. Establish a Children's Future Health Fund using a portion of the revenue generated by the tax to promote a healthier future for all Irish children and particularly for disadvantaged children who are disproportionately affected by obesity and food poverty.

Prevalence of obesity in Ireland has increased significantly in the last two decades. Between 1990 and 2011, obesity rose from 8% to 26% in men, and from 13% to 21% in women. Currently, 24% of adults (18-64 years) are obese. Amongst Irish children, rates of obesity accelerated from the 1970s and continued to increase into the 'Celtic Tiger' period. Depending on the definition of obesity and the cut-off points used, there has been a dramatic two-to-fourfold increase in obesity in Irish children aged 8–12 years since 1990.

A growing body of research indicates that an increase in consumption of SSDs is associated with increases in calories, weight gain, obesity and a variety of other negative health consequences and that the consumption of SSDs may influence the development of obesity amongst children, adolescents and adults. There is convincing evidence from randomised control trials that reducing intake of SSDs decreases risk of weight gain and obesity in children and young people. There is a dose-response relationship between SSDs and weight gain – as SSD intake increases, weight gain also increases.

Carbonated drinks are the most consumed beverage in Ireland. In 2010, almost three times more carbonated drinks were consumed (83 litres per person) compared to the second most consumed beverage (bottled water at 30 litres per person). SSDs are a major contributor to sugar in diets, especially in children and young people. 21% of 1 year olds and 53% of 4 year olds consume SSDs. At least 75% of 5-18 year olds consume SSDs. 40% of adults regularly drink SSDs.

The team which undertook the SSD tax Health Impact Assessment for the Department of Health concluded that a 20% tax would reduce the number of obese adults in Ireland by 22,000. Although not modelled, it can be reasonably concluded that the tax would also impact on the number of obese children.

France, Finland, Hungary, Mexico and a number of US states have introduced a form of SSD tax and clear evidence is emerging of health benefits for citizens.

For example, at the beginning of 2014 an SSD tax came into effect in Mexicoⁱ, with the aim of discouraging SSD consumption. The tax totalled one peso (\$.07 USD) per litre, which is roughly equivalent to a 10% increase in price. Analysis following the first year of the tax revealed an average reduction of 6% in the purchase of SSDs during 2014. This reduction increased over the course of the year to reach 12% by December 2014. The reduction in consumption was greatest among the lowest socioeconomic group – reducing SSD purchases by 9% on average during 2014 and achieving a reduction of 17% by the end of the year. The tax generated \$1.3 billion USD in 2014.

In France a volumetric tax of 7 cent per litre was applied to SSD and diet-SSD in 2012. Industry analysts found the tax led to a 5% increase in drink prices and a 3.3% reduction in consumption January – May 2012. The tax generates approximately €280 million per year.

Additionally, it is predicted that unless obesity and food poverty rates are reduced, there will be a significant impact on quality of life, life expectancy and healthcare costs in Ireland.

The cost of obesity for Ireland is measured in both fiscal and health terms and places a considerable burden on society. The annual cost of obesity in the Republic of Ireland is estimated to be €1.13 billion. Approximately 35% of the costs (€398m) are direct healthcare costs; whilst €728m are indirect costs in reduced productivity and absenteeism. The impact of obesity on health has been documented extensively in Government policies. Measures which seek to reduce over-consumption of unhealthy foods are now long overdue.

I believe all this represents a firm evidential basis for using fiscal measures to reduce consumption of sugar sweetened drinks and thereby reducing overweight and obesity in Ireland. By using a portion of the revenue from a sugary drinks tax to finance a Children's Future Health Fund, Budget 2016 could be used to effect far reaching additional benefits by supporting policies to tackle obesity and food poverty among children.

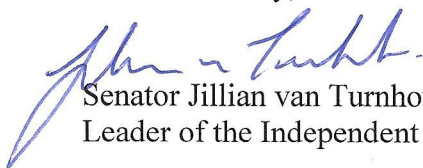
I believe that a portion of the revenue gained through a tax on sugary drinks should be used to fund a Children's Future Health fund, with a particular focus on disadvantaged groups which have the worst health outcomes. There are Irish precedents which show how effective taxation can be at changing behaviour and generating revenue. The plastic bag levy introduced in 2002 both reduced the use of plastic bags and generated over €200 million for environmental projects over 10 years.

In this regard, I would endorse proposals put forward by the Irish Heart Foundation in its Pre-Budget Submission. These include:

- *Remove all junk food from schools and extend existing nutritious food provision models which are already operating nationally. Extend free school meals programmes. Develop healthy living modules on primary and secondary curricula.*
- *Introduce no fry zones within 1 km of schools. At present 75% of Irish schools have at least one and 30% have at least five fast food outlets within 1km.*
- *Introduce fruit and vegetable subsidies, targeted at disadvantaged communities where obesity levels are almost three times higher than in better off communities.*
- *Stop protecting the international processed food industry from having to inform consumers about products with high fat, sugar and salt content through front-of-pack red, amber and green traffic light labelling.*
- *End advertising of products high in fat, sugar and salt on TV before 9pm. Regulate other media channels, such as the Internet, on computer games, via text messaging etc.*
- *Ensure that children get 60 minutes of physical activity a day. Review school PE provision as Ireland is third worst at primary level and seventh worst at secondary level in the EU for PE provision.*
- *Develop Family Food Initiatives (FFIs) to support children and families experiencing food poverty to have access to healthy food and to develop cooking and food growing skills. 30 FFIs could be established at a cost €2.475m over a 5 year programme 2016-2020.*

I would appreciate the opportunity to discuss these proposals with you at your convenience.

Yours Sincerely,



Senator Jillian van Turnhout
Leader of the Independent Group (Taoiseach's Nominees)

CC: Minister for Health, Leo Varadkar TD
Minister for Children and Youth Affairs, Dr James Reilly TD.