

From: Alcohol Consultation
Sent: 29 November 2012 13:40
To: [REDACTED]
Subject: FW: Minimum pricing - missing the point.

[REDACTED]
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Though I agree with the intended outcomes of the minimum pricing proposal, I believe the approach is likely to miss an obvious opportunity.

The health based argument should be used to justify a re-think of taxation methods of health endangering products.

The debate on alcohol pricing should be used to implement a tax change that will provide a method for influencing the consumption of other health endangering products in the longer term as well as alcohol such as: tobacco, fast foods, sweets, trans fats, etc.

Concept: where an ingredient is determined by medical experts to affect long term health when consumed excessively, products which contain it should be moved to a new taxation band where the tax rate is based not on item price but on content of the damaging substance. This could either replace or supplement VAT on these products.

Example:

- Alcohol should be taxed based on the number of units of alcohol contained in the product, at for example a rate that today would produce a similar cost effect as the minimum pricing policy
- Fast food could be taxed on calories / trans-fat / sugar content
- Fizzy drinks could be taxed on calories / sugar /sweetener content

Such legislation once accepted in principle would allow taxation for the benefit of consumer health to adapt with time to medical advice, would avoid allegations of price fixing and offenses against the free market and would continue to allow manufacturers to compete on price while reducing the availability of cheap alcohol or other substances which if consumed excessively can cause illnesses that cost the health service significantly over the long term.

Sincerely

[REDACTED]