

Calls for 'fat tax' to fund healthcare

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People who eat fatty food and drink sugary soft drinks could be taxed for their unhealthy habits. A fat tax, or "innovative financing mechanism" idea was proposed by Dr Robert Fryatt, an economic adviser to the minister of health, at a National Health Insurance conference in Johannesburg last week.

Fryatt, who was a strategic planner at the World Health Organisation, said the fat tax concept was "getting clear support" from many countries around the world.

Other ways of raising funds to implement the universal healthcare programme were to further increase alcohol and cigarette tax.

Fryatt said that these sin taxes "can reduce consumption and bring in a considerable amount of revenue".

Mark Heywood, human rights activist from the lobby group Section 27 said the state is "justified to raise money and change behaviours.

"We know it hits the poor, but it hits them on something that is bad for them anyway," he said.

Deputy director-general of public finance Andrew Donaldson suggested that any further increases on cigarette taxes were unlikely to be effective in raising revenue because of the high levels of cigarette smuggling in the country.

Source: The Times

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