

A Polluter Pays Tobacco Levy for Wales

Briefing for the Cross Party Group on Smoking and Health

What is the issue?

Smoking remains the leading cause of preventable harm in Wales. It costs millions each year in NHS treatment, social care and lost productivity.

At the same time, tobacco companies continue to profit from a product that causes long term illness and avoidable pressure on public services.



Smoking and health in Wales

In Wales:

- **Around 10% of adults smoke** (National Survey for Wales 2024 to 25).
- Rates are over **twice as high in the most deprived communities**.
- Smoking causes around **3,845 deaths and 17,000 hospital admissions** each year.
- Smoking **costs NHS Wales an estimated £302 million annually**, likely higher today (a UK study puts the wider economic cost at £92.9 billion.)

Why current approaches are not enough

Wales has made real progress on tobacco control, and the Tobacco and Vapes Bill is a major step in preventing future addiction. But the harms of smoking will not disappear overnight. **More than 320,000 people in Wales still smoke**, many with decades long histories. The health and economic impact will continue even as rates fall.

What is a polluter pays tobacco levy?

A polluter pays levy is different from tobacco duty. **It would require tobacco manufacturers or importers, not consumers, to contribute financially for the damage caused by their products.**

- Target industry profits, not people who smoke
- Follow the polluter pays principle used across public health policy
- Create funding for quit support, prevention and tobacco control

Public health organisations argue that current tax arrangements allow tobacco companies to protect profits while passing costs onto consumers. A levy would help shift responsibility back to industry.



What the evidence suggests

Evidence suggests any levy should:

- Prevent costs being passed on to consumers, especially in lower income communities
- Be framed as a public health measure, not a tax on individuals
- Provide sustained, ring fenced funding for evidence based tobacco control

Well designed pricing and regulation reduce smoking rates, especially when paired with accessible quit support.

Public and stakeholder support

The ASH Wales Annual Adult Population Survey found **75% of people in Wales support a levy on tobacco companies to fund quit services and prevent youth uptake.**

Support is strong across the health and third sectors, including the Faculty of Public Health, the Royal Society for Public Health, ASH, and nearly **200 health organisations and professionals.**



What this means for Wales

Wales has a strong history of leading on public health, from smokefree legislation to minimum unit pricing for alcohol. While taxation powers are largely reserved, public health regulation is devolved.

Key considerations for Senedd Members include:

- How Wales can shape UK wide levy proposals
- Whether levy style approaches could be explored within devolved powers
- How revenues could best support treatment, prevention and action on inequality

Key Message

Smoking continues to cause avoidable harm, widen inequality and place major costs on Wales. A polluter pays tobacco levy would place responsibility on the tobacco industry, protect people who smoke from extra financial pressure, and secure sustainable funding to support quitting and reduce harm.

**The Tobacco and Vapes Bill closes the door to future addiction.
A levy helps Wales deal with the damage already done.**