* Information gaps

*“To what extent has the government’s intervention in the property market (including Help To Buy) resulted in government failure?”   
KAA – Government failure because…  
 EV – Not government failure… (Successes of the intervention)/critique the KAA*

* Distortion of price signals
* Unintended consequences
* Excessive administrative costs



Help To Buy: Scheme in which the government supports first time buyers in a number of ways. Including topping-up deposits for mortgages; creating ISAs to support deposit saving; forcing developers to sell some properties below market value (affordable housing) and providing subsidies to encourage new construction.  
Also consider: planning permission/green belts.

* Information gaps

*“To what extent might regulations on the sale of cigarettes and high taxes on tobacco result in government failure?”   
KAA – Government failure because…  
 EV – Not government failure… (Successes of the intervention)/ critique the KAA*

* Distortion of price signals
* Unintended consequences
* Excessive administrative costs



Cigarette intervention includes taxation and regulations such as warning signs, blank packaging, no smoking in cars/public places.  
Effectiveness?  
Intended outcome?  
Shifting the problem?

* Information gaps

*“To what extent has the high taxation of fuel and intervention within the railway industry resulted   
in government failure?”   
KAA – Government failure because…  
 EV – Not government failure… (Successes of the intervention)/ critique the KAA*

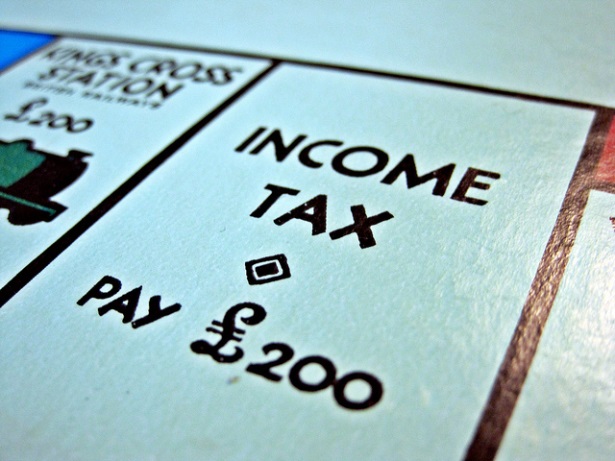
* Distortion of price signals
* Unintended consequences
* Excessive administrative costs



Around 70% of the price of petrol is a tax.  
Railways are subsidised and Network Rail (owns infrastructure - tracks) is nationalised.  
Intended outcomes?  
Impact upon consumers?  
Effectiveness?  
Knock-on effects elsewhere?  
Inefficiencies of government ownership?

* Information gaps
* Distortion of price signals
* Unintended consequences
* Excessive administrative costs

*“To what extent has the government’s intervention in the labour market (including income tax and the minimum wage) resulted in government failure?  
KAA – Government failure because…  
 EV – Not government failure… (Successes of the intervention) / critique the KAA*



The top rate of income tax (over £150,000) is 45% and £42k-£150k is 40%.  
Intended outcome?  
Discouragement?  
Role of benefits?  
How do the rich react?  
Impact of minimum wage?