Sugar Tax

The big question: Should Australia introduce a sugar tax?

Many countries, such as France, the UK and South Africa have introduced a tax on sugary drinks, to increase the price of these items and therefore decrease the amount people consume.

As people have moved from a traditional diet to one that is largely processed and high in sugars, rates of obesity have risen to alarming levels. While foods high in fat were previously thought to lead to obesity, newer research suggests that it is, in fact, high sugar (and low-fat) products that are most to blame for excess calorie consumption.

Sugary drinks have come under the most fire from health groups, as people can consume litres of these fluids, without realising how unhealthy they really are.

Doctors have largely supported the idea of a sugar tax as one idea to combat obesity. They point to similar measures taken against tobacco, which have proven effective in the past.

However, soft drink manufacturers argue that a sugar tax is discriminatory and targets only some manufacturers. They wonder why they have been singled out from many other unhealthy eating and drinking options currently available.

The World Health Organisation (WHO) has argued that increased taxation for unhealthy food could ‘reduce suffering and save lives.’

Quick facts:

- Energy from the food we consume comes in three different forms - fat, protein and sugar. Both fat and protein tend to make us feel fuller, so we eat less. Foods high in sugars don’t make us feel as full. Sugar is processed in the liver, where it can turn to fat.
- Obesity is Australia’s biggest health problem at this time, with two-thirds of the adult population and one-quarter of all children classified as overweight or obese.
- More than half of all Australians currently eat more than the recommended daily intake of sugar, with soft drinks accounting for much of this.
- Soft drinks provide little or no nutritional benefit.
Arguments that... Australia should introduce a sugar tax

- Governments need to send a message about the risks associated with excess consumption of sugar
- A sugar tax will hardly affect those who only drink sugary drinks occasionally, but will have an impact upon those who drink a great many sugary drinks
- Obesity is a chronic problem and burden for the Australian health system; creating a tax would help fund health services
- Adolescents are particularly at risk from the consumption of too many soft drinks and a tax is more likely to affect their smaller incomes
- Estimates suggest that 1600 lives could be saved each year from increasing the cost of high-sugar items

Snap perspectives

A sugar tax should be introduced

The Grattan Institute, represented by Stephen Duckett, director of the Institute’s health program, said soft drinks were not solely responsible for the obesity problem, but they should be targeted because they have no nutritional value and children are big consumers.

Professor Nick Talley, head of the Committee of Presidents of Medical Colleges, representing bodies including the Royal Australian College of GPs, the Royal Australasian College of Physicians and the Royal Australasian College of Surgeons, “With smoking and tobacco control, we took risks and it had a dramatic effect.” According to a study co-written by the Obesity Policy Coalition and the University of Queensland’s School of Public Health, a tax in Australia could lead to a 12.6 per cent reduction in consumption of sugary drinks.

Celebrity chef Jamie Oliver has urged Australia to “pull its finger out” on tackling obesity after Britain announced a sugar tax on soft drinks.

There should be no sugar tax

Deputy Prime Minister Barnaby Joyce has described a sugar tax as “bonkers mad” and a “moralistic tax” that would have huge impacts on sugar farmers in the north of Australia.

Australian Beverages Council chief executive Geoff Parker called it “a discriminatory tax that evidence clearly shows will not improve public health whatsoever.”

Canegrowers Queensland chairman Paul Schembri said a sugar tax would “cascade” back to producers.

Says Coca-Cola’s CEO: “Americans need to be more active and take greater responsibility for their diets.”

Arguments that... there should be no sugar tax

- People will just spend their money on something else unhealthy - like biscuits or alcohol
- This is a tax that will affect poorer populations more, as they tend to spend a greater proportion of their income on food and beverages than wealthier people
- Denmark, who introduced a sugar tax years ago, are getting rid of it, after finding that it made no difference
- While there may be a short term shift in people’s consumption of sugary drinks, this will change over time, as people get used to how much soft drink now costs
- Education would be more effective on reducing consumption than a tax