

Should Australia tax soft drinks and other sugar-sweetened beverages?

What they said...

'We've seen the success sugar taxes have overseas in reducing consumption of soft drinks, which deliver around 12-teaspoons of sugar per can.'

AMA President Professor Steve Robson

'A sugar tax on non-alcoholic drinks will add a strain to family finances without providing a concrete, wholistic solution to a decades old problem.'

Media release from the Australian Beverages Council

The issue at a glance

On January 5, 2024, United States research was published indicating the success of sugary drinks taxes in reducing consumption. <https://publichealth.berkeley.edu/news-media/research-highlights/taxes-on-sugar-sweetened-drinks-drive-decline-in-consumption/>

On December 5, 2023, the World Health Organisation (WHO) called on governments worldwide to increase taxes on sugary drinks. <https://www.dw.com/en/who-calls-for-higher-taxes-on-alcohol-sugary-drinks/a-67642860> As of May 2022, 85 countries have imposed some form of tax on sugar-sweetened beverages (SSB). <https://www.who.int/news/item/13-12-2022-who-calls-on-countries-to-tax-sugar-sweetened-beverages-to-save-lives>

On September 7, 2023, the Australian Medical Association (AMA) told a parliamentary inquiry into diabetes that a sugar tax would significantly reduce the \$3.1 billion cost to Australia's health system caused by the disease. <http://tinyurl.com/3evvyjc7>

On September 5, 2023, the Australian Dental Association also addressed the diabetes inquiry and called for a levy on sugary drinks that would increase the price by 20 percent. <http://tinyurl.com/ywvuupuz>

Several industry groups, including the Australian Beverages Council, the Australian Sugar Research Alliance, and the Australian Food and Grocery Council oppose an SSB tax. <http://tinyurl.com/2tvz35xf>

Australian health authorities have sought a sugar tax for years but have not succeeded in gaining government support. <http://tinyurl.com/2tvz35xf>

Background

The information below was predominantly abbreviated from a Wikipedia entry titled 'Sugary drink tax'. The full text can be accessed at https://en.wikipedia.org/wiki/Sugary_drink_tax

Sugary drink tax

A sugar tax, sugary drink tax, soda tax, soft drink tax, or sweetened beverage tax (SBT) is a tax or surcharge designed to reduce sugar intake by reducing the consumption of sweetened beverages.

Drinks covered under a soda tax often include carbonated soft drinks, sports drinks, and energy drinks. Sugar in such sweetened beverages can be in the form of sucrose, high-fructose corn syrup, or other caloric sweeteners.

This policy intervention is an effort to decrease obesity and the health impacts related to being overweight. The tax is a matter of public debate in many countries and beverage producers like Coca-Cola often oppose it. Advocates such as national medical associations and the World Health Organization promote the tax as an example of Pigovian taxation, aimed to discourage unhealthy diets and offset the growing economic costs of obesity.

Increased taxes on sweetened products have been suggested to promote companies to reformulate their product to keep consumer costs affordable by decreasing use of the taxed ingredient (i.e., sugar) in their product. Government revenues from these taxes are sometimes put towards improving public health services, however this is not always the case. Obesity is a global public and health policy concern with the percentage of overweight and obese in many developed and middle-income countries rising rapidly. Consumption of added sugar in sugar sweetened beverages has been positively correlated with high calorie intake, and through it, with excess weight and obesity. The ubiquity of sugar sweetened beverages and their appeal to younger consumers has made their consumption a subject of particular concern by public health professionals. In both the United States and the United Kingdom, sugar sweetened drinks are the top calorie source in teenage diets.

Trends indicate that traditional soda or soft drink consumption is declining in many developed economies but growing rapidly in middle income economies such as Vietnam and India. The focus on carbonated soft drinks such as traditional colas as a subject for taxation implied by the term ‘soda tax’ can be misleading; sugar sweetened beverages such as sports drinks or electrolyte drinks, sweetened tea, and fruit-flavoured drinks often contain amounts of added sugar equal to carbonated sodas. Often, taxation measures on sugar sweetened beverages include these drink categories for the same form of ‘sugar tax’.

As of May 2022, more than 85 countries (at national or subnational levels) have levied taxes that apply to SSBs, according to the WHO Global database on the Implementation of Nutrition Action. <https://iris.who.int/bitstream/handle/10665/365285/9789240056299-eng.pdf?sequence=1>

Some countries imposing a tax on sugar-sweetened beverages

Brunei (since 2017), Canada (in the provinces of British Columbia (since 2020) and Newfoundland and Labrador (since 2022), Chile (since 2014), Finland (since 1940), France (since 2012), Hungary (since 2011), India (since 2017), Ireland (since 2018), Italy (since 2019), Malaysia (since 2019), Mexico (since 2013), Netherlands (since 2021), Norway (since 1922), Oman (since 2019), Peru (since 2018), Philippines (since 2017), Poland (since 2021), Portugal (since 2017), Qatar (since 2019), Saudi Arabia (since 2017), Singapore (since 2020), South Africa (since 2018), Thailand (since 2017), United Arab Emirates (since 2017), United Kingdom (since 2018), United States, in the cities of
Albany, California (since 2017)
Berkeley, California (since 2014)
Oakland, California (since 2017)
San Francisco, California (since 2018)
Boulder, Colorado (since 2016)
Cook County, Illinois (since 2016)

Navajo Nation (since 2018)
Philadelphia, Pennsylvania (since 2017)
Seattle, Washington (since 2017)

Internet information

On January 6, 2024, NPR (National Public Radio) USA published a news report titled ‘Cities with soda taxes saw sales of sugary drinks fall as prices rose, study finds’. The report notes that sales of sugary drinks fell dramatically across five U.S. cities, after they implemented taxes targeting those drinks – and those changes remained over time.

The full text can be accessed at <https://www.npr.org/sections/health-shots/2024/01/06/1223243244/cities-with-soda-taxes-saw-sales-of-sugary-drinks-fall-as-prices-rose-study-find>

On December 27, 2023, The Press published a comment by Ben Kepes titled ‘Yes, we should have a sugar tax, but we also need personal responsibility’. The opinion piece acknowledges the value of taxation as a way of discouraging harmful behaviour; however, he also believes individuals should be aware of the damage they are potentially inflicting on themselves and society.

The full text can be accessed at <https://www.thepress.co.nz/nz-news/350136371/yes-we-should-have-sugar-tax-we-also-need-personal-responsibility>

On December 17, 2023, Faster Capital, a company that assists start-up ventures, published a detailed treatment of ‘sin taxes’ titled ‘Sin Taxes and Their Impact on Public Health: A Closer Look’. The background piece defines sin taxes, looks at their historical background and gives a detailed outline of their advantages and disadvantages.

The full text can be accessed at <https://fastercapital.com/content/Sin-taxes--Sin-Taxes-and-Their-Impact-on-Public-Health--A-Closer-Look.html>

On November 17, 2023, The Guardian published an editorial supporting the British tax on sugary drinks and noting the reduction in dental caries among children since its introduction.

The full text can be accessed at <https://www.theguardian.com/commentisfree/2023/nov/16/the-guardian-view-on-the-sugar-tax-fewer-tooth-extractions-is-great-news-for-public-health>

On November 15, 2023, Health Tech World published a report titled ‘Sugar tax linked to 12% drop in u18 tooth extractions’ The report detailed research findings that there was a dramatic reduction in dental caries in Britain apparently related to the introduction of a sugar tax.

The full text can be accessed at <https://www.htworld.co.uk/news/research-news/sugar-tax-linked-to-12-drop-in-u18-tooth-extractions/>

On September 18, 2023, DC Journal published a comment by Justin Leventhal, senior policy analyst for the American Consumer Institute, titled ‘The Ineffective Paternalism of Soda Taxes’. The opinion piece criticises soda taxes as ineffective and claims the harm poor consumers and businesses.

The full text can be accessed at <https://dcjournal.com/the-ineffective-paternalism-of-soda-taxes/>

On September 15, 2023, The Conversation published a comment and analysis by Duane Mellor, Lead for Evidence-Based Medicine and Nutrition, Aston Medical School, Aston

University. The article is titled ‘Why taxing ‘junk food’ to tackle obesity isn’t as simple as it seems’. The author challenges the strength of the evidence used to demonstrate the success of sugar taxes and suggests a more sophisticated approach to community health is needed.

The full text can be accessed at <https://theconversation.com/why-taxing-junk-food-to-tackle-obesity-isnt-as-simple-as-it-seems-213513>

On September 11, 2023, Troy Media published a comment by Dr. Sylvain Charlebois, senior director of the agri-food analytics lab and a professor in food distribution and policy at Dalhousie University. The opinion piece is titled ‘Are sugar taxes really about your health?’ The author argues that sugar taxes are not an effective means of sugar reduction and that they are often introduced just to increase government revenue.

The full text can be accessed at <https://troymedia.com/lifestyle/your-money/is-a-sugar-tax-really-about-your-health/>

On September 6, 2023, smartasset published a comment by Amanda Dixon titled ‘Should There Be a Soda Tax?’. The opinion piece, while uncertain that the taxes achieve their public health objectives endorses the socially productive uses to which the tax revenue can be put.

The full text can be accessed at <https://smartasset.com/taxes/should-there-be-a-soda-tax>

On July 27, 2023, The New Daily published a report titled ‘Sugar tax could save nation millions and fund dental care, study finds’. The report details the findings of a recent study which suggests a 20 per cent national sugar tax could save Australia more than \$60 million over 10 years, increase health equity and prevent more than 500,000 dental cavities.

The full text can be accessed at

<https://www.thenewdaily.com.au/life/health/2023/07/26/sugar-tax-study>

On April 3, 2023, the Australian Medical Association (AMA) issued a media release detailing its call to the federal government to include a sugar tax in the next budget. The media release is titled ‘Sugar tax: a sweet deal for public health and the upcoming federal budget’.

The full text can be accessed at <https://www.ama.com.au/media/sugar-tax-sweet-deal-public-health-and-upcoming-federal-budget>

The media release includes a link to the website of the AMA’s ongoing campaign for a sugar tax, ‘#SicklySweet’. The website can be accessed at <https://www.ama.com.au/sickly-sweet>

On April 3, 2023, Swissinfo.ch published a news report titled ‘Sugar debate in Switzerland leaves bitter taste’. The report details the government’s refusal to allow two local initiatives to regulate sugar in food and drink in response to pressure from the agricultural lobby.

The full text can be accessed at <https://www.swissinfo.ch/eng/business/sugar-debate-leaves-bitter-taste-politics/48408550>

On January 20, 2023, The Guardian published an article titled ‘Doctors warn Australia risks being “odd one out” if it resists sugar tax on soft drinks’. The article details the AMA’s criticisms of Australian governments for falling behind other nations in using sugar taxes as a health measure.

The full text can be accessed at <https://www.theguardian.com/australia-news/2023/jan/20/doctors-warn-australia-risks-being-odd-one-out-if-it-resists-sugar-tax-on-soft-drinks>

On March 11, 2022, TTPI published a comment and analysis by Tristan Dry and Phillip Baker titled ‘Why Doesn’t Australia Have a Sugar-Sweetened Beverage Tax?’. The article examines the effect of industry opposition and the attitude of political parties in explaining Australia’s apparent reluctance to adopt a sugary drinks tax.

The full text can be accessed at <https://www.austaxpolicy.com/why-doesnt-australia-have-a-sugar-sweetened-beverage-tax/>

On September 11, 2021, The Obesity Evidence Hub published a comment and analysis titled ‘Case for a tax on sugar-sweetened beverages (SSBs) in Australia’. The article supplies a detailed, referenced case supporting a sugary drinks tax in Australia.

The full text can be accessed at

<https://www.obesityevidencehub.org.au/collections/prevention/the-case-for-a-tax-on-sweetened-sugary-drinks>

On June 10, 2021, The Conversation published a comment by Gary Sacks, Professor of Public Health Policy and Co-Director of the Global Centre for Preventive Health and Nutrition at Deakin University. The opinion piece, titled ‘How much longer do we need to wait for Australia to implement a sugary drinks tax?’, explains the benefits of a sugary drinks tax as demonstrated by overseas experience,

The full text can be accessed at <https://theconversation.com/how-much-longer-do-we-need-to-wait-for-australia-to-implement-a-sugary-drinks-tax-162434>

On June 9, 2021, the Australian Medical Association (AMA) issued a media release titled ‘Sugar tax will cut disease and save lives’. The release presents the AMA’s demand that the federal government introduce a sugar tax and explains how this would improve national health.

The full text can be accessed at <https://www.ama.com.au/media/sugar-tax-will-cut-disease-and-save-lives>

On November 10, 2015, The Conversation published a comment by Luke Allen, a researcher, in Global Health Policy at the University of Oxford, titled ‘Rejecting a sugar tax is based on faulty logic about the poor’. Allen argues that education works less well than taxation in shaping the behaviour of those on low incomes.

The full text can be accessed at <https://theconversation.com/rejecting-a-sugar-tax-is-based-on-faulty-logic-about-the-poor-50230>

On October 17, 2014, The Conversation published a comment and analysis by Becky Freeman, Research Fellow/Lecturer at the University of Sydney titled ‘Digital junk: food and beverage marketing on Facebook’. Freeman examines the potential impact on children and adolescents of junk food advertising on social media.

The full text can be accessed at <https://theconversation.com/digital-junk-food-and-beverage-marketing-on-facebook-32609>

On April 2, 2012, The Conversation published a comment and analysis by Peter Clifton Professor of Nutrition, University of South Australia, titled ‘Monday’s medical myth: sugar is the main culprit in obesity’. The article argues that overeating a variety of food types is responsible for obesity.

The full text can be accessed at <https://theconversation.com/mondays-medical-myth-sugar-is-the-main-culprit-in-obesity-6078>

Arguments in favour of a sugary drink tax

1. Excessive sugar consumption harms health

Those who support a sugary drink tax do so because excessive sugar consumption is associated with major ill health. Sugar consumption promotes obesity, diabetes, cardiovascular disease, and tooth decay. These sugar-related health issues affect Australian children and adults.

Excessive unhealthy food and sugar-sweetened soft drink consumption has been linked to weight gain. In 2010, the World Health Organisation commissioned a literature review to clarify the effects of sugars on excess weight. The review analysed the findings of 110 published studies. It found that sugar intake is a major determinant of body weight. The high calorie concentration found in sugars make them an easy source of excess energy. Laboratory studies have also found that diets high in sugar, high in fat, or both trigger changes in gut bacteria that contribute to obesity. In addition, the review found that a positive correlation between sugar consumption and obesity is only apparent when sugar is overconsumed. Therefore, it did not recommend that sugars be removed from the diet. It concluded they should be consumed at safe levels. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6959843/>

The link between excess sugar consumption and overweight is concerning because overweight and obesity is linked to many diseases. Overweight and obesity is the second leading risk factor contributing to ill health and death in Australia. Overweight and obesity is linked to 30 diseases, including 17 types of cancers, four cardiovascular diseases, three musculoskeletal conditions, type 2 diabetes, dementia, asthma, and chronic kidney disease. <https://www.aihw.gov.au/reports/overweight-obesity/overweight-and-obesity/contents/overweight-and-obesity> 2018 data shows that 67 percent of Australians are overweight or obese. Health authorities are concerned that Australian children are also affected by overweight and obesity. In 2017–18, one in four (25 percent) Australian children and adolescents aged 2–17 was overweight or obese. According to results from the Longitudinal Study of Australian Children, the prevalence of overweight and obesity generally increases with age. By the age of 16-17 nearly a third (31 percent) of Australian adolescents were overweight or obese. <https://www.aihw.gov.au/reports/overweight-obesity/overweight-obesity-australian-children-adolescents/summary>

Increased weight is a contributory factor in developing diabetes and sugar plays a direct part in this causal link. Too much sugar in the diet leads to insulin resistance, inflammation, and weight gain. These are all major risk factors for Type 2 diabetes. <https://redcliffelabs.com/myhealth/diabetes/sugar-consumption-and-diabetes-unraveling-the-sweet-connection/> In 2021, one in 20 Australians had diabetes and the incidence of the disease is increasing. In 2021 5,400 Australians died directly because of diabetes, while diabetes contributed to the deaths of another 19,300. Currently, 11 percent of all deaths in Australia are associated with diabetes.

<https://www.aihw.gov.au/reports/diabetes/diabetes/contents/summary> Clinicians have only recently begun to track cases of Type 2 diabetes (a condition traditionally only seen in midlife) in children and those under 24 and have discovered an alarmingly high incidence. In Darwin, childhood presentations of Type 2 diabetes have increased 20-fold in the last ten years, with children as young as four diagnosed. <http://tinyurl.com/326t47p6>

Similarly, excess weight contributes to cardiac disease and strokes. Recent studies have found that weight gained from sugar consumption elevates the risk of heart disease and stroke more than weight acquired from other food sources. The people with the highest risk of heart

disease or stroke consumed about 95 grams of free sugar per day, or 18 percent of their daily energy intake. <https://www.nbcnews.com/health/heart-health/high-sugar-intake-risk-heart-disease-stroke-study-rcna70406> The maximum recommended sugar level in Australia is less than 10 percent of daily energy intake.

<https://www.healthdirect.gov.au/sugar#:~:text=Adults%20and%20children%20should%20reduce,per%20day%20for%20an%20adult.>

Finally, sugar consumption is linked to tooth decay. The World Health Organisation has noted that sugars are the essential dietary factor causing dental caries (tooth decay). Dental caries develops when bacteria in the mouth metabolize sugars to produce acid that demineralizes the hard tissues of the teeth (enamel and dentine). The acid ultimately wears away the hard outer surface of the tooth. <http://tinyurl.com/4r3jzf2n> The Australian Dental Association has stated, ‘Tooth decay is Australia's most common chronic illness and is largely preventable. Diet is the most prevalent factor in the cause of tooth decay, with sugary foods and drinks the largest risk factor.’ <https://www.teeth.org.au/tooth-decay#:~:text=Summary,drinks%20the%20largest%20risk%20factor.> More than one third (34.3 percent) of Australian children have experienced tooth decay in their primary (baby) teeth by as early as age 5 to 6. <http://tinyurl.com/y6zr8pck>

2. Australians consume huge quantities of sugary drinks

The average Australian consumes large quantities of sugary drinks on a regular basis. Advocates for a sugary drink tax want to change this dietary habit. They are especially concerned that sugary drink consumption is highest among young people and that the high glucose content of the sugar used in Australian drinks increases the risks.

Australians consume excessive amounts of sugar by international standards. Australians, on average, consume about half a kilo of sugar each week. <https://hw.qld.gov.au/blog/sickly-sweet-sugar-consumption-and-our-health/> Australian Health Survey data shows that more than half of Australians aged two years and older exceeded the World Health Organization’s recommended limits on energy from free sugars in 2011–12. Free sugars are sugars added to foods by manufacturers or consumers, and those naturally present in honey, syrups, and fruit juices. Australians consume more than twice the amount of free sugar recommended by the WHO for optimal health outcomes. The average Australian’s free sugar consumption per day is 14 teaspoons; the amount recommended for best health is 6 teaspoons or 5 percent of daily energy intake. <https://www.obesityevidencehub.org.au/collections/prevention/the-case-for-a-tax-on-sweetened-sugary-drinks>

Sugary drinks are a major contributor to the amount of added sugar in the Australian diet. 81 percent of Australians’ free sugar consumption comes from sugary drinks and discretionary foods (snacks). <https://hw.qld.gov.au/blog/sickly-sweet-sugar-consumption-and-our-health/> . In January 2023, the Australian Medical Association (AMA) revealed data showing Australians consume more than 2.4 billion litres of sugary drinks every year. The AMA’s press release highlighted, ‘That’s enough to fill 960 Olympic sized swimming pools.’ <http://tinyurl.com/4bypkz9t> The AMA has further warned, ‘Sugar-sweetened beverages contain 8–12 teaspoons (33–50 grams) of sugar in the average 375 mL can of soft drink. This is more than the daily recommended amount of sugar in just one drink, delivering a high number of liquid calories but providing almost no nutritional benefit.’ <https://www.ama.com.au/articles/why-tax-sugary-drinks>

Supporters of a sugary drink tax are concerned that these drinks are frequently consumed by children and young people. Research has shown that in 2019-20 36 percent of adults and 41 percent of children consumed sugar-sweetened beverages at least weekly, with nine percent of adults and seven percent of children consuming them daily.

<https://www.ama.com.au/articles/why-tax-sugary-drinks> Children aged 2-17 years who are daily consumers of sugar sweetened drinks consume on average 2.4 cups per day (equivalent to 1.6 cans of soft drink or one 600mL bottle). The average intake for boys aged 2-17 who consume sugar sweetened beverages daily is higher than girls (2.8 cups per day compared with 1.6 cups). <http://tinyurl.com/y2tc8b4b> Sugary drink consumption is a major problem among teenage males. Research released in 2017 showed almost 17 percent of teenage boys consumed a litre of sugary soft drink a week, or 52 litres a year.

<https://www.cancer.org.au/media-releases/2017/1-in-6-teenage-boys-consume-at-least-52-litres-of-soft-drink-each-year> Energy drinks are a high source of sugar for adolescent consumers. A 2021 national survey of just under 9,000 students aged 12 to 17 found that 24 percent consumed sugar-sweetened energy drinks at least weekly. 83 percent of the regular adolescent consumers were male. Australian Cancer Council nutrition expert Clare Hughes warned, 'Sugary drinks contribute the most added sugar to Australians' diets and the news that one in six teens consume more than 5kg of sugar each year through sugar-sweetened beverages alone is alarming.' <https://www.kidsnews.com.au/health/survey-finds-aussie-teens-still-drinking-too-much-sugar/news-story/1933cf11ad9731d232bfd40ce2822082>

The sugar used to sweeten Australian soft drinks and other beverages is particularly dangerous. Australian sugar has a higher glucose level than sugar produced in other countries. This elevated glucose presents a greater risk for the development of diabetes and other metabolic diseases. <http://tinyurl.com/y8nntme7> Australian sugar is refined from sugar cane; however, sugar in the United States comes from corn syrup and sugar in Europe is produced from beets. Research has shown that cane sugar has significantly higher glucose than the other common sugar sources. <https://thewest.com.au/lifestyle/health-wellbeing/aussie-soft-drinks-found-to-have-more-sugar-than-rest-of-the-world-ng-b88498356z> The result is that Australian soft drinks have a 22 percent higher total glucose concentration than United States formulations. <http://tinyurl.com/y8nntme7> Professor Bronwyn Kingwell, from the Baker Heart and Diabetes Institute, has warned, 'This means blood glucose will go up higher when we consume our Australian sugary drink, and this will increase blood insulin [a risk factor in disease development].'

<https://thewest.com.au/lifestyle/health-wellbeing/aussie-soft-drinks-found-to-have-more-sugar-than-rest-of-the-world-ng-b88498356z>

3. Sugary drink taxes reduce sugar consumption

Supporters of sugary drinks taxes stress that they succeed in reducing consumption of beverages containing excessive amounts of sugar.

Critics of sugar taxes claim that they do not reduce consumption of sugar-sweetened beverages. For example, in Britain, between 2015 and 2019 the sale of sugar-taxed beverages rose by 14.9 percent. (The tax was introduced in April 2018.)

https://assets.publishing.service.gov.uk/media/60953c63e90e0735727c80be/Sugar_reduction_progress_report_2015_to_2019-1.pdf

Defenders of the taxes argue this is a misleading simplification. Though the quantity of these drinks bought by British purchasers increased, the amount of sugar consumed dropped by 34.5 percent. It appears that consumers were choosing to buy beverages with a lower sugar

content that avoided the tax. The tax is graduated so that sugary drinks become more expensive as their sugar content increases. Here is no levy on soft drinks containing less than 5g of sugar per 100ml. An 18p per litre tax is charged on soft drinks containing between 5g and 8g of sugar per 100ml. While there is a 24p per litre tax on soft drinks containing more than 8g of sugar per 100ml.

<https://www.instituteforgovernment.org.uk/article/explainer/sugar-tax> The total sugar consumed per household from taxed drinks has decreased across all socio-economic groups. The reduction is largest in households where the main wage earner is in a skilled manual occupation where the drop was 38.5 percent and then is similar across all remaining socio-economic groups (between 32.7 percent and 35.1 percent reduction).
https://assets.publishing.service.gov.uk/media/60953c63e90e0735727c80be/Sugar_reduction_progress_report_2015_to_2019-1.pdf

A United States study has also noted declines in sugar consumption linked to sugar taxes. The recent study examined consumer behaviour in five American cities with sugar taxes. It found that retail prices of sugar-sweetened beverages increased by 33.1 percent over the two years following tax implementation in each city studied, and that there was a corresponding decrease in purchases of 33 percent over the same timeframe. At the same time, there was no evidence that consumers were traveling to bordering areas without sweetened beverage taxes to make purchases there. <https://publichealth.berkeley.edu/news-media/research-highlights/taxes-on-sugar-sweetened-drinks-drive-decline-in-consumption/>

Success in reducing sugar consumption has occurred in other countries. Mexico introduced a sugary drinks tax in 2014. The results of a survey and questionnaire comparing pre-tax sugary drink consumption with consumption up to 2018 found that after the implementation of the tax, the probability of becoming a non-consumer increased by 4.7 percent, and the probability of being a low consumer increased by 8.3 percent. In addition, the probability of being in the medium and high levels of soft drink consumption decreased by 6.8 percent for medium consumers and 6.1 percent for high consumers. These results remained consistent across the three years of the survey. <https://www.bmj.com/company/newsroom/mexicos-sugary-drinks-tax-has-helped-cut-consumption-after-just-three-years/> In June 2022, the results of a literature review of 86 studies examining the effect on consumption of a sugar tax were examined. The literature review found that imposing a sugar tax resulted in a 15 percent drop in the sale of sugar sweetened beverages. The review concluded that ‘consumers respond to economic interventions...[and] SSB (sugar-sweetened beverages) taxes were associated with higher prices of taxed beverages and lower sales.’
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9161017/> Unlike in Britain, this worldwide survey suggests that consumers do not simply swap to beverages with a lower sugar content, many stop consuming sugar-sweetened beverages altogether. The way the tax is imposed may affect this.

The Australian Medical Association (AMA) has examined the reduction in sugar consumption that could result from a sugary drinks tax in Australia. The Association is proposing a tax rate of 40 cents per 100g of sugar. This would increase the retail price of the average supermarket sugary drink by 20 percent. Computer projections predict that this tax would reduce sugar consumption from sugary drinks by 12 to 18 percent per year.
<https://www.ama.com.au/sickly-sweet/why-a-tax> AMA President, Dr Omar Khorshid, has explained how the sugary drinks tax works to discourage consumption. He has stated, ‘The tax on sugary drinks sends a clear price signal to consumers that a product is unhealthy and

makes it less affordable.’ <https://www.ama.com.au/media/sugar-tax-will-cut-disease-and-save-lives>

The increased price is claimed to make potential consumers more aware that the drink is unhealthy. Matthew Parks, Master of Laws candidate at the University of Melbourne, has explained that these taxes have a ‘signalling effect’. They make the customer aware that sugary drinks pose a health risk. He claims that this helps to influence all buyers, but especially those less effected by a price rise.

https://taxpolicy.crawford.anu.edu.au/sites/default/files/uploads/taxstudies_crawford_anu_edu_au/2022-03/complete_policy_brief_1_2022_m_parkes.pdf

4. Sugary drink taxes encourage manufacturers to produce healthier products.

Some supporters of sugary drink taxes hope they will prompt drink manufacturers to redesign their product with lower sugar contents that will avoid the tax.

Campaigners for a sugar tax in Australia have suggested it will lead producers to reduce the sugar content of their drinks. The Australian Medical Association has suggested, ‘You also...encourage the companies that make sugary drinks to reformulate – that is, make drinks with less or no sugar, so they can have their products avoid the tax.’

<https://www.ama.com.au/sickly-sweet/why-a-tax> Most believe a tax is necessary to force a healthy change in soft drink products as manufacturers are reluctant to risk customer attachment to their brand by altering the taste. An industry food magazine ‘What’s new in food’ commented on the response of British sugary drink manufacturers to the imposition of a tax. It noted, ‘For two years soft drinks companies have debated whether to reformulate their products and risk jeopardising consumer loyalty or change nothing and risk pricing consumers away with tax-imposed...increases.’

<https://www.foodprocessing.com.au/content/business-solutions/news/how-should-manufacturers-respond-to-sugar-taxes--229195109>

Supporters of sugary drink taxes point to many drink companies that have changed their products after a tax was implemented. A study conducted in Britain and Ireland in 2019, after sugar taxes came into operation, found most manufacturers decided to alter what they produced. The survey examined products in 2014 and 2018. 83 of 464 products were the same in both years. However, the mean sugar content of products decreased by 42 percent. Manufacturers of the reformulated products in our study have either reduced the total sugar or reduced sugar by replacing it with non-caloric sweeteners without changing the product name. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6883278/> These figures reflect British Institute for Government findings published in 2021. The total sugar sold in soft drinks by retailers and manufacturers decreased by 35.4 percent between 2015 and 2019, from 135,500 tonnes to 87,600 tonnes. Over the same period, the sales-weighted average sugar content of soft drinks declined by 43.7 percent, from 5.7g/100ml to 2.2g/100ml.

<https://www.instituteforgovernment.org.uk/article/explainer/sugar-tax> Following the sugar tax in Britain, Coca Cola Great Britain is now using their new low-sugar formulas as part of their promotions. They claim, ‘Today, 67 percent, or two-thirds, of the drinks we sell at Coca-Cola Great Britain are either low or no calorie products. We have reformulated 43 products and launched 100 new low and no-sugar drinks. This has enabled us to reduce the sugar content of our portfolio by over 52,000 tonnes, representing a 30 percent reduction in the amount of sugar we contribute to shopping baskets across Great Britain.’

<https://www.coca-cola.com/gb/en/sustainability/how-coca-cola-gb-is-offering-low-sugar-alternatives-to-offer-peo>

Tax supporters note there is a large international trend toward reducing the sugar content of drinks to avoid a sugar tax. Ireland-based food manufacturer Kerry have examined the impact of sugar taxes in fifty countries and noted, ‘Many manufacturers are reformulating sugar sweetened beverages—which are often the primary target of sugar taxes—creating products with sugar volumes that fall below the taxation threshold. After some initial hesitation, consumers are now actively embracing low- and no-sugar products, due in part to technological advancements that deliver the full flavour and mouthfeel of sugary beverages, without the sugar content.’ <https://www.kerry.com/insights/kerrydigest/2018/the-state-of-sugar-and-health-taxes-around-the-world.html> Kerry has commented on specific instances of products being reformulated, and observed some cases where changes have been that exceed what regulations require. Kerry notes, ‘In Brazil, the food and beverage industry agreed to voluntarily reduce sugar in over 1,100 products by 2022. Some participating manufacturers have also made voluntary commitments to the reduction of sodium, suggesting that overall nutrition optimisation is an increasingly popular goal.’ <https://www.kerry.com/insights/kerrydigest/2018/the-state-of-sugar-and-health-taxes-around-the-world.html>

5. Sugary drink taxes would improve the health of Australians, reduce pressure on health services and boost revenue for public health

Those who support a tax on sugary drinks argue that this measure would improve the health of the Australian community. They also claim it would relieve pressure on hospitals and other health services. They recommend that the tax revenue contribute to funding public health.

Advocates of a tax on sugary drinks claim that this would improve the health of the Australian population. Australian Medical Association deputy president, Danielle McMullen, has quoted the health benefits the Association believes a tax of 40 cents per 100gm of added sugar would produce. Dr McMullen stated, ‘Over a 25-year period, we estimate this would result in 16,000 fewer cases of type 2 diabetes, 4400 fewer cases of heart disease and 1100 fewer cases of stroke.’ <https://www.theaustralian.com.au/nation/politics/doctors-step-up-calls-for-tax-on-fizzy-drinks/news-story/7936d9d434e4ffd326230459ea3ff228>

There are similar estimates of public health gains from overseas studies. Researchers in public health in Oakland, California, have calculated the likely health benefits from the 27 percent drop in sugar-sweetened beverage consumption following the imposition of a sugar tax. Using computer modeling they determined that over 10 years this change in consumption habits would add 94 years of quality health per 10,000 residents and save the city more than \$100,000 per 10,000 residents in health care costs. <https://publichealth.berkeley.edu/news-media/research-highlights/sugary-drink-tax-improves-health/> Similarly, Mexico’s 9.7 percent drop in sweetened beverage sales (in the second year after a tax came into operation) is estimated to prevent 189,300 new cases of diabetes over 10 years. Other anticipated health gains are the prevention of 20,400 heart attacks or strokes, and 18,900 deaths among Mexican adults ages 35–94. These public health benefits were estimated to save \$983 million in health-care costs. [https://www.thelancet.com/pdfs/journals/landia/PIIS2213-8587\(17\)30070-0.pdf](https://www.thelancet.com/pdfs/journals/landia/PIIS2213-8587(17)30070-0.pdf)

Direct evidence from overseas shows public health benefits that have occurred after a sugary drink tax. A 2013 literature review of nine studies examining the health impact of sugary drink taxes found a correlation between the imposition of the tax and a reduction in obesity in the taxed populations. Six of the studies were in the United States and one was from each of

Mexico, Brazil, and France.

<https://bmcpublichealth.biomedcentral.com/articles/10.1186/1471-2458-13-1072> Reductions in childhood obesity also occurred in Britain after the introduction of a sugar tax. The Cambridge research team found that 19 months after the sugar tax introduction, there was an 8 percent reduction in obesity levels in year 6 girls, equivalent to preventing 5,234 cases of obesity per year in this group alone. <https://www.ukri.org/news/sugary-drinks-tax-may-have-prevented-over-5000-cases-of-obesity/>

Supporters of a tax on sugary drinks also argue that the revenue raised should go to the health budget to help prevent obesity. In January 2023, the Australian Medical Association claimed that the federal government could collect \$814m annually by taxing sugared drinks at 40c per 100 grams of added sugar. <http://tinyurl.com/6c6a6pmj> In its pre-budget submission to the government, the AMA outlined a use for the revenue that would be attractive to the public. It stated, ‘Australian surveys have consistently shown majority support for a tax on SSBs (sugar-sweetened beverages). Public support is even higher if tax revenue is [to be used] to fund initiatives to tackle obesity. A nationally representative survey undertaken in 2017 found 60 percent of Australians support a tax on sugary drinks. This increased to 77 percent support if the proceeds were used to fund obesity prevention.’ <http://tinyurl.com/363et9ks>

Other countries have directed the revenue from a sugar tax toward different targets with a high public value. In 2017, the Seattle City Council, Washington State, passed a law taxing sweetened beverages. Local community advocates negotiated that tax revenue go to expand food and nutrition security and early childhood programs in areas most impacted by sugary drinks, chronic diseases, and health and education inequality. By February 2023 approximately \$22 million a year had gone to this community assistance. <https://www.seattletimes.com/opinion/sweet-success-seattles-sugary-drink-tax-is-reducing-health-inequities/> The same pattern has occurred across the United States. In 2021 Department of Health officials analysed how sugar tax revenues were being used. They surveyed seven cities with sugar-sweetened beverage taxes, collectively raising \$134 million annually. They found early childhood programs received the largest investment of tax revenues at \$58 million. Community improvements (e.g., rec centers and libraries) were second largest with \$21 million. \$17 million went to increasing access to healthy food and beverages. 85 percent of revenues supported projects and programs in impacted communities. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8141925/>

Arguments against a sugary drink tax

1. Sugar and sugary drinks are not the main cause of obesity and diet-related ill health
Opponents of taxes on sugary drinks claim that they are discriminatory, targeting one energy source and ignoring the fact that obesity is a complex condition with many contributory factors. They argue that multiple dietary habits must change, and lifestyle factors must alter. Sugary drink taxes, critics claim, are a gesture and not a solution to national health problems.

Opponents of a sugar tax claim that sugar is not the sole or primary dietary factor that results in excessive weight gain. Some nutritionists have noted that weight gain in Australia and overseas is the result of an overall increase in calorie intake, not simply increased sugar consumption. In an article published in The Conversation on April 2, 2012, Peter Clifton, Professor of Nutrition at the University of South Australia posed the question, ‘So has sugar played a larger role than fat, protein and other forms of carbohydrates in Australia’s obesity epidemic?’ His response was, ‘Probably not. There has been little change in the proportions of fat, carbohydrate [including sugars], and protein in our diet over the past 30 years. But

total energy intake has increased – we’re gaining weight because we’re eating more of everything.’ <https://theconversation.com/mondays-medical-myth-sugar-is-the-main-culprit-in-obesity-6078> Research conducted at Cornell University in 2015 similarly concluded that although soda and junk food are not healthy choices, it is eating too much food, of all types, which is the culprit in obesity. Lead researcher, David Just, co-director of the Cornell Center for Behavioral Economics, explained that total patterns of consumption and intake present problems for Americans’ health. Professor Just stated, ‘For 95 percent of the country, there is no relationship between how much fast food and junk food they’re eating and their weight. Because of the bad habits we have, with all our food, just eliminating junk food is not going to do anything.’ <https://www.chicagotribune.com/lifestyles/health/sc-junk-food-obesity-health-1105-20151105-story.html>

It has been claimed that many food types will cause obesity if overconsumed. Professor Clifton, a nutrition researcher, has noted, ‘Eating large quantities of any carbohydrate with a high glycaemic index (white bread, for instance) can double the risk of heart disease and diabetes. Likewise, consuming large amounts of trans fat has been shown to increase the risk of heart disease by 33 percent. So, sugar in soft drinks increases the risk of disease by a similar amount to trans-fat and white bread. <https://theconversation.com/mondays-medical-myth-sugar-is-the-main-culprit-in-obesity-6078> Health experts have noted Australians’ long-standing pattern of overconsumption. A 2012 Australian Institute of Health and Welfare (AIHW) report found that Australians exceed the world average consumption of alcohol, sweeteners, milk, and animal fats. <https://www.smh.com.au/lifestyle/health-and-wellness/its-official-we-eat-too-much-20120717-227bh.html> Findings from the Cancer Council Victoria and the Heart Foundation published in 2015 showed 80 percent of people felt overeating was the new norm and treats had become part of the daily diet for 85 percent of Australians. <https://www.hcf.com.au/health-agenda/food-diet/nutrition/whats-gone-wrong-with-our-diet#:~:text=Not%20only%20are%20we%20eating,85%20per%20cent%20of%20Australians> Recent research has also claimed that the national trend to overeat may have been intensified by COVID in response to anxiety. Emotion-focused situational eating has been noted as a problem for many Australians. <https://pubmed.ncbi.nlm.nih.gov/32972479/>

Some researchers have suggested that focusing narrowly on a reduction in sugar consumption oversimplifies the problem and will not alter other causal factors that contribute to disease. After a 2017 study, lead author Professor Jennie Brand-Miller from the Charles Perkins Centre at the University of Sydney stated, ‘Our results suggest there may be unintended consequences in focusing on a singular dietary component such as added sugars only, and more should be done in public health campaigns to address other concentrated sources of energy such as alcohol, starchy takeaway and savoury snacks.’ Co-author and accredited practicing dietitian, Dr Alan Barclay, similarly stated, ‘Our study suggests that laying the blame for the obesity crisis on added sugars alone is not a rational solution to the problem. We need to see a more coordinated approach and more effective interventions to help lower intakes of all discretionary foods and beverages.’ <https://www.sydney.edu.au/news-opinion/news/2017/03/09/soft-drink-and-added-sugar-consumption-on-the-decline-in-austral.html>

2. Sugary drink taxes are not effective in reducing sugar consumption or improving health Those who oppose sugary drinks taxes claim they have not been proved to work. The supposed evidence of their success is short term and inconsistent. Their claimed long-term successes are based on computer modelling of results that may never eventuate and there is some evidence suggesting they have had negative effects.

Studies have demonstrated that price changes have failed to significantly affect consumer behaviour. In a Nielsen survey conducted three months after the introduction of a British sugar tax in April 2018, 62 percent of consumers indicated they had not changed their consumption since the tax came into effect. Further, the number who claimed they would continue purchasing sugar-sweetened beverages sat at 44 percent. <http://tinyurl.com/5k435rxt> Data from a year after the introduction of the British tax indicated that daily consumption of sugar by adults had dropped by 4.8g and children's consumption had dropped by 10.9g. <https://www.medrxiv.org/content/10.1101/2023.06.26.23291902v1> However, sugar consumption had been falling in Britain before the levy was introduced. Once this was factored into the analysis, there was no significant fall in sugar consumption. https://www.salon.com/2023/09/18/why-taxing-junk-to-tackle-obesity-isnt-as-simple-as-it-seems_partner/ The sugar tax imposed in Mexico in 2014 has also not been as successful as it was first claimed to be. According to tax receipts from the Mexican Secretariat of Finance and Public Credit (Treasury), there was a small decline in consumption of less than two per cent in the first year of the tax, with a recovery in sales in year two to pre-tax levels, and growth in sales thereafter. <http://tinyurl.com/5k435rxt> Meanwhile, a 2023 study found a 3ml daily per capita reduction in consumption of drinks in the middle price range; however, there was no statistically significant reduction in the purchase of low-price or high-price sugar sweetened drinks. <http://tinyurl.com/2vf3r9vn>

Other studies have shown that sugary drinks taxes often lead affected populations to find other sources of sugar. A study conducted at the University of Georgia examined the impact of a soda tax imposed in Philadelphia in 2017. Initially, demand for the taxed drinks dropped by 31 percent. Further investigation revealed consumers simply found other sweetened foods to supply their sugar need or traveled to surrounding towns without the tax to buy their sodas. These actions wiped out the decrease in sugar intake from colas and other taxed sweet drinks. Additionally, the soda pop tax led to a 4 percent increase in purchases of confectionary and other high-sugar goods in Philadelphia and neighbouring towns. <https://news.uga.edu/soda-pop-taxes-dont-reduce-sugar-consumption/>

Further, the reliability of the evidence claiming health benefits from sugar taxes is disputed. Even the supporters of sugar taxes admit that it will take decades for any potential benefit to be securely evident. Many of these expected benefits are offered as predictions before the tax has even been put in place. A 2017 Australian study titled 'Modelled health benefits of a sugar-sweetened beverage tax across different socioeconomic groups in Australia' admitted at the end of the study 'The main limitations of this study, as with all simulation models, is that the results represent only the best estimate of a potential effect in the absence of stronger direct evidence.'

<https://journals.plos.org/plosmedicine/article?id=10.1371/journal.pmed.1002326>

This point has been made by Duane Mellor, the Lead for Evidence-Based Medicine and Nutrition at Aston Medical School, Aston University. Mellor states, 'Whether or not levies on unhealthy food work is difficult to determine. Advocates for these programs tend to highlight positive effects based on data modelling rather than actual changes in people's weight and health.' https://www.salon.com/2023/09/18/why-taxing-junk-to-tackle-obesity-isnt-as-simple-as-it-seems_partner/

Finally, it has been suggested that some of the alternatives that manufacturers have developed to replace or modify sugar-sweetened drinks are a risk to health. In the United Kingdom after the introduction of the sugar tax, sugary drinks called slushies needed to have glycerol (E422)

instead of sugar added to them to maintain their consistency. While this is safe for most older children and adults, the Food Standards Agency identified a possible risk of glycerol intoxication in smaller children and recommended the modified slushies not be sold to children under five. https://www.salon.com/2023/09/18/why-taxing-junk-to-tackle-obesity-isnt-as-simple-as-it-seems_partner/ Critics of sugar taxes also argue that the artificial sweeteners often used as substitutes for sugar are not safe. In May 2023, the World Health Organisation released a new guideline recommending against their use to reduce weight or health risks. Results of a recent review suggest these sweeteners do not help with weight loss and may lead to an increased risk of type 2 diabetes, cardiovascular diseases, and mortality in adults. <https://www.who.int/news/item/15-05-2023-who-advises-not-to-use-non-sugar-sweeteners-for-weight-control-in-newly-released-guideline>

3. Sugary drink taxes are not necessary to reduce sugar consumption

Critics of the sugar tax argue that it is an unnecessary imposition. They claim that sugar consumption has been decreasing in Australia for decades without a tax to shape consumer behaviour. They also claim sugary drink manufacturers in Australia and overseas have been reformulating their drinks and offering healthy alternatives and that a sugary drinks tax is not needed to make this happen.

Australia has reported major reductions in sugar consumption without a sugar tax. A 2017 Australian Bureau of Statistics (ABS) report found that between 1995 and 2011–2012, the proportion of energy derived from sugar sweetened drinks (including juice) declined 10 percent in adult men and 20 percent in women. More marked changes were observed in children aged 2–18 years. According to ABS Director of Health, Louise Gates, much of this decline among children can be attributed to reduced consumption of soft drinks, cordial, and fruit juice. <https://www1.racgp.org.au/newsgp/clinical/children-at-forefront-of-falling-sugar-consumption> Data from national grocery sales indicated that per capita added sugars from carbonated soft drinks fell 26 percent between 1997 and 2011 with similar trends for noncarbonated beverages. Critics note that this reduction in the consumption of sweetened drinks makes a tax unnecessary. Consumers are already making these choices without the pressure of a tax. <http://tinyurl.com/3jdxw78e>

It is not only in Australia that sugar consumption is declining without the incentive of a tax. A 2023 study examine changes in sweetened drink consumption in six European countries that had introduced a sugar tax. They then compared the decline in consumption for these countries with results from neighbouring countries that had not introduced a tax. The study found that the countries with a soda tax did not experience larger declines in soda consumption than were found in the comparison countries which had not imposed a tax. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9989715/> Similar findings have been made in the United States. A study released in October 2023 examined trends in sugar consumption from packaged foods and beverages purchased by US households between 2002 and 2020. It found that total sugar consumption decreased over the period. The study drew data from 52 metropolitan and 24 non-metropolitan markets. It did not indicate if any of these had a sugar tax. However, only nine United States cities have introduced these taxes, therefore, a tax is unlikely to have brought about most of this reduction. <http://tinyurl.com/f55ukrmy>

Opponents of a sugar tax in Australia also claim that it is unnecessary because manufacturers are already lowering the sugar content of drinks without a tax being in place. In 2018, Coca-Cola Europacific Partners, Asahi Lifestyle Beverages, Coca-Cola South Pacific, and Pepsi Co Australia and New Zealand committed to reducing sugar across their non-alcohol beverage

ranges by 20 percent from 2015-2025. This is referred to as the Sugar Reduction Pledge. <https://www.australianbeverages.org/initiatives-advocacy-information/sugar-reduction-pledge/> On August 8, 2023, Cathy Cook, Head of Corporate Affairs for the Australian Beverages Council, stated, 'The non-alcoholic beverages industry is leading the way in supporting healthier consumer choices with initiatives like the nation's first Sugar Reduction Pledge and prioritising low-and-no sugar beverages across members' portfolios.' Geoff Parker, the Australian Beverages Council's Chief Executive Officer, stressed the progress that had been made toward the 20 percent reduction. He stated, 'As at end of 2022, an 18 percent reduction in sugar had already been achieved which means the Pledge is on track to achieve its goal.'

Sugar reduction in sweetened drinks is also occurring in other countries. According to UNESDA Soft Drinks Europe, the European soft drink industry reduced average added sugars by 3.6 percent between 2019 and 2021. <http://tinyurl.com/4hxv59b3> An Austrian voluntary scheme which encourages manufacturers to gradually reduce the sugar content of sugar-sweetened beverages found a 10.4 percent sugar reduction in 2017 compared to 2010. <https://academic.oup.com/eurpub/article/33/6/1095/7268811> These changes are largely coming from changes in consumer preferences. Consumers expect reformulations to be plant-based, sustainable, and natural. Therefore, sweeteners like honey and stevia, which are natural-product-based, are increasingly favoured. Companies worldwide (irrespective of whether their markets are sugar-taxed) are investigating alternative sweetening substances that will satisfy customers' desire for a healthy option. <https://na.mxns.com/blog/reducing-sugar-in-foods-through-reformulation>

4. Sugary drink taxes are socially regressive

Opponents of sugar taxes argue they are socially regressive. This means they have a much stronger impact on those with less income. The poor are particularly hard hit by socially regressive taxation.

A regressive tax is a uniform tax on goods or services that is the same dollar amount whatever the income of the person being taxed. This is unlike most forms of income tax which increase as the person earns more. Regressive taxes are often condemned as unjust because they have a greater impact on the poor. They are particularly criticised when applied to essentials such as food because the less well off are unable to avoid the tax even if they find it difficult to pay. <https://www.thebalancemoney.com/regressive-tax-definition-history-effective-rate-4155620>

Many studies have shown that for a variety of reasons associated with social, educational, and economic background, poor people are higher consumers of cheap, low-quality, high-calorie foods than those from more fortunate backgrounds. This means they are likely to pay more of any sugar tax the government sets and be less able to afford to do so. Referring to the United States, the independent, public policy research group, Independent Institute, stated, 'Economic research shows that taxes on goods like soda hit poor people the hardest. As the National Center for Policy Analysis noted in 2009, low-income families spend more of their incomes on such taxed goods than higher income families do. This makes the efforts of health activists costliest for society's poorest. Such regressive taxation is abhorrent on both moral and practical grounds.' <https://www.independent.org/news/article.asp?id=8701> Similar concerns were expressed in New Zealand as the country considered the introduction of a sugar tax. In a policy advice document presented to the New Zealand government in February 2017, Alasdair Gardiner, stated, 'New Zealand data is consistent with international evidence

that a sugar tax is likely to be regressive. Low-income consumers spend a higher proportion of their income on the targeted food groups and so bear a relatively higher burden of the tax' <https://www.treasury.govt.nz/publications/wp/implications-sugar-tax-new-zealand-incidence-and-effectiveness-wp-16-09#executive-summary>

Studies on the effect of taxing cigarettes in Australia have shown the negative psychological impact such taxes can have, especially on the poor. Like sugary drinks taxes, cigarette taxes are also regressive as they are a flat tax which takes no account of smokers' incomes. A 2016 study found that most of the investigation's subjects continued to smoke but had to take a range of difficult measures to be able to afford to do so. They reported 'feeling demeaned'. <https://www.sciencedirect.com/science/article/abs/pii/S0955395916302754>

Numerous commentators have criticised the injustice or inequity of sugar taxes. In an opinion piece published in *The Conversation* on April 11, 2018, Sarah Fessenden, Lecturer in Anthropology at the University of British Columbia, stated, 'When we tax sugar, we put the burden on people who are already burdened. All we are doing is continuing to make food more expensive. While chronic diseases related to sugar like heart disease, obesity and diabetes affect all of society, they disproportionately affect the poor. The sugar tax is another round of policies that "blame the victim" rather than uprooting the systems that cause these chronic diseases.' Fessenden argues that governments should challenge the systems that make cheap, poor-quality food readily available and try to prioritise making good quality food more accessible to all. <https://theconversation.com/how-sugar-taxes-punish-the-people-94014>

Arguments about social inequality have been made by Australian soft drink manufacturers in opposition to a sugar tax in Australia. Australian Beverages Council CEO, Geoff Parker, has stated, 'Obesity is complex and while simplistic solutions like a tax might appear attractive in a university lab model, real-world experience shows these types of discriminatory taxes deliver no discernible public health benefit but only hit the poorest households the hardest.' In the same media release, dated August 8, 2023, the Council noted, 'Renewed calls for a sugar tax on non-alcoholic drinks will add a strain to family finances without providing a concrete, wholistic solution to a decades old problem.' <https://www.australianbeverages.org/australian-consumers-continue-trend-away-from-full-sugar-drinks-without-recessionary-sugar-tax/>

5. Sugary drink taxes are paternalistic and intrude into consumers' lives

Opponents of sugary drink taxes claim that governments assume people are unable to make their own diet and health decisions. Policies like this are described by their critics as 'paternalism' or 'nanny statism'. Both terms imply that the government and their advisers are treating the population as children, incapable of managing their own lives. When governments impose taxes on goods, they believe the population should avoid, these are sometimes described as 'sin taxes'. These taxes are condemned as undermining freedom of choice and personal responsibility.

Critics argue that government policies which try to direct how citizens will spend their money are disrespectful and an infringement of personal freedom. Bill Wirtz, in an article published in *Figaro* on September 11, 2017, wrote, 'France should choose the path of freedom. Adults can make informed choices about their own lives, and [even when not fully informed], they are still superior to the uninformed choice of a privileged minority of legislators.' <https://www.lefigaro.fr/vox/economie/2017/11/09/31007-20171109ARTFIG00327-taxe-sodas-le-retour-de-l-etat-nounou.php> Wirtz, arguing against an extension of the French soda

tax, claims that governments do not have the right to try to shape individual's choices in this way. Economists Michael Marlow and Sherzod Abdukadirov similarly write, 'The growing use of paternalism to justify government intervention in individual food and lifestyle choices is often misguided and... policies are too easily justified on the assumption that government officials are better informed than the individuals they seek to guide.'

file:///C:/Users/Alienware/Documents/chapter_14-rev.pdf

Opponents of these taxes claim they often show a class bias, favouring middle and upper classes over other groups. Martin Cullip, in a piece published in Spiked on July 7, 2023, stated, 'Nanny states cloak these initiatives in the language of public health. They point out that excessive sugar consumption, alcohol abuse and smoking can lead to serious health problems, which is all true enough. But what is open to question is whether the sin taxes they impose are fair.' <https://www.spiked-online.com/2023/07/07/the-cruelty-and-snobbery-of-the-nanny-state/> Why these policies are seen as unfair is that they most affect the recreational habits and food choices of the least well off, who are the largest consumers of 'junk food'. The wealthier sections of the community can generally continue to access their preferred food and drinks. <https://www.theguardian.com/commentisfree/2015/dec/01/sugar-tax-poor-people-obesity-crisis> Cullip concludes that intrusive policies, such as the sugary drinks taxes, do not respect the rights of all citizens to exercise personal choice. He states, 'The main problem is that nanny statism is inherently elitist. Its proponents refuse to respect the personal choices and individual liberties of the least well-off.' <https://www.spiked-online.com/2023/07/07/the-cruelty-and-snobbery-of-the-nanny-state/>

Those who challenge sugary drink taxes also argue that the paternalistic approach will be unsuccessful. Critics of 'sin taxes' complain that consumers have not made a free, informed choice to avoid these drinks, they have been economically pressured to do so. Hannah Bettsworth, in an opinion piece published in Epicenter on March 22, 2019, stated, 'Healthy changes cannot be imposed from above. To encourage sustainable healthy behaviours, the person in question has to commit to them. Diets have very poor success rates in keeping weight off in the long term. In reality, the ideal path to maintaining weight loss is linked to – alongside healthier food and activity choices – self-sufficiency, autonomy, personal motivation and flexible control. Depriving ourselves of what we really love leads to failure. Sin taxes are based on that kind of counterproductive, good-and-evil thinking about food. Lifestyle changes are not easy to make. If you do not have the willpower or the desire to cut down on your soft drink consumption, a price increase will not stop you.' <https://www.epicenternetwork.eu/blog/a-european-sugar-tax-paternalistic-counterproductive-and-regressive/> Chris Snowdon, Director of Lifestyle Economics at the Institute of Economic Affairs, has argued that, instead of demanding taxes on particular foods, 'Health campaigners should... focus their energies on what matters – giving us the best available information about what constitutes a balanced diet and leaving individuals to make their own choice when it comes to what food to eat.' <https://iea.org.uk/in-the-media/press-release/a-sugar-tax-would-hit-the-poor-the-hardest>

Further implications

Health authorities claim that successive Australian governments have taken inadequate action to encourage Australians to consume a healthier diet. <https://theconversation.com/australia-is-dragging-its-feet-on-healthy-eating-in-5-years-weve-made-woeful-progress-192393> They argue that too little has been done to protect the public from the mass production and promotion of unhealthy food. This issue extends beyond the question of whether a sugary

drinks tax would be effective. It involves questions of what is offered for sale, how it is offered for sale, where it is offered for sale and to whom.

Australia has been a world leader in some public health and safety initiatives. In 1970 the Victorian Government became the first jurisdiction to introduce laws making seatbelt-wearing compulsory. Other states followed suit and by 1977 national seatbelt-wearing rates were at 90 percent. <http://tinyurl.com/5cw7jkpe> Australia has also been highly focused on discouraging smoking. Since the early 1980s, Australian federal governments have advanced tobacco control measures including mass media campaigns, consumer information, taxes on tobacco products, protection from exposure to tobacco smoke and the regulation of promotion (including plain packaging). This suite of initiatives is among the world's most comprehensive. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4392189/> Similarly, in 1990 Victoria passed the world's first mandatory bicycle helmet laws and between 1990 and 1992, laws mandating bicycle helmets were enacted in each Australian state and territory. <http://tinyurl.com/y9324hhe> However, the national approach to reducing risks that come from Australians' eating habits has been less active.

Many health authorities and lobby groups have drawn attention to health problems associated with what the nation eats and drinks. In 2018 the Australian Institute of Health and Welfare (AIWH) estimated that 38 percent of the deaths and diseases suffered in Australia come from 'modifiable risks', that is, behaviours that can be changed. Nearly 50 percent of these 'modifiable risks' relate to dietary habits. This excludes alcohol consumption. If alcohol use is included, dietary habits contribute to 65 percent of these risks. <http://tinyurl.com/52h2jkbh>

Health experts have been urging the government to act to reduce these risks for years. In 2017 Australia produced its first Food Policy Index Report. There have been two subsequent reports, in 2019 and 2022. These are examinations of the policies the government has developed to address food-related health issues and an evaluation of their effectiveness. <https://www.foodpolicyindex.org.au/> The 2022 assessment of Australian federal government policies for creating healthy food environments found that, despite some areas of good progress, Australia is not meeting global benchmarks of good practice. Australia was found to be below international good practice in restricting the advertising of unhealthy foods online, in retail outlets and in sporting contexts. There was concern that unhealthy foods can be packaged to appeal to children. Provision of healthy food in public sector workplaces is inadequate. Some aspects of food labelling are inadequate, and Australia does not place taxes on unhealthy foods. <https://foodenvironmentdashboard.com.au/government/> Currently, standards that regulate food advertising in Australia are largely industry controlled and there is no mechanism for regulating online food promotions, which is a rapidly expanding area. <https://www.powertopersuade.org.au/blog/australias-not-so-sweet-stance-on-sugar-policy/20/11/2023>

Other countries have been far more active in working to improve the national diet. Chile has put in place comprehensive restrictions on TV advertising for unhealthy food, conspicuous warning labels on the packaging of unhealthy products, as well as taxes on sugary drinks. Mexico has similar policies. Several other governments are taking strong action to protect children from exposure to the marketing of unhealthy food. As an example, the United Kingdom is set to ban ads for unhealthy food online, and on TV before 9pm from 2024. Canada has similar laws before their parliament. The United Kingdom has also introduced major changes to how supermarkets operate. Unhealthy products can no longer be displayed in prominent in-store locations, such as shop entrances and checkout areas. In some parts of Mexico, retailers cannot sell unhealthy food to children. And in Argentina, there are laws dictating maximum sodium (salt) content in a range of products.

<https://theconversation.com/australia-is-dragging-its-feet-on-healthy-eating-in-5-years-weve-made-woeful-progress-192393>

There is popular support in Australia for similar actions to those adopted in some other countries. A recent national survey suggests 75 percent of the public support restricting sugary drinks in school vending machines and bans on junk food advertising to children under 16 years of age. The study also found that two-thirds of respondents supported zoning to restrict the sale of junk food near schools, while over half backed a sugar tax on unhealthy food and drinks. <https://www.powertopersuade.org.au/blog/australias-not-so-sweet-stance-on-sugar-policy/20/11/2023> Recent research has also shown that 80 percent of Australian adults want 'added sugar' labelling on food products.

<https://www.foodforhealthalliance.org.au/what-we-do/improving-food-labelling>

Attempts to improve the national diet are likely to face an uphill battle. The Australian campaign to curb the use of tobacco continues to confront powerful opposition from the mega rich international conglomerates that produce cigarettes and related products.

<http://tinyurl.com/mr2vtx5h> Some of the same players are involved in the manufacture of unhealthy food and drink. <https://www.theguardian.com/australia-news/2024/jan/15/british-american-tobacco-ryde-wellbeing-shots-water-street-collective> Further, food and drink are ubiquitous. Unlike smoking, eating involves everyone and the choices people make about what they eat and drink are highly personal and often unthinking. That said, the above survey data suggests there may be some popular appetite in Australia for more government support in the battle to eat better.