

# A Sugary Drinks Tax for Australia

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# The science

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Australians are eating too much sugar

It is reasonable to single out sugary drinks for action

- Major source of added sugar intake
- Beyond energy, no nutritional value

Robust evidence of health risks associated with sugar intake *and* sugary drinks in particular

- Overweight and obesity
- Type 2 Diabetes
- Cardiovascular, liver and kidney disease
- Poor oral health



# The law

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## Mandate for action

*“reasonable and increasing evidence that appropriately designed taxes on sugar-sweetened beverages would result in proportional reductions in consumption, especially if aimed at raising the retail price by 20% or more” (WHO Fiscal Strategies... 2016)*

## “Appropriately designed”

- Linked to evidence e.g. class of products applied to, amount of tax
- Framed as one in a suite of comprehensive measures
- Objectives carefully framed (+ measurable)

# AG Barr to halve sugar content in Irn Bru

1 March 2017 | Scotland business

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AG Barr is to halve the amount of sugar in its leading Irn Bru brand, ahead of a government crackdown on the fizzy drinks industry.



Anne's Place in Fishtown warns customers sodas and other sugar-sweetened beverages will increase in price because of the soda tax. MARK DENT/BILLY PENN

## Philly soda tax: Pepsi tells grocery stores it won't offer 2-liters or 12-packs

"No one's buying the stuff."

business breaking news

## Sugar now an investment risk, says AMP

MARCH 30, 2017 1:33PM

Australian Associated Press



Sugar is becoming one of the biggest risks for investors in the global food and beverage industry, fund manager AMP Capital says.

Amid rising obesity levels and growing healthcare costs, a new report from AMP Capital says concerns about the sweet stuff have begun limiting growth for companies manufacturing and selling high-sugar products.

"While the major parties in Australia do not yet have plans to introduce any form of soda tax, the public discussion generated by the possibility of a soda tax has the potential to reduce consumption given that it shines a spotlight on the issue and accelerates consumer education about the health impacts of sugar," the report said.

13/07/17



# Practicalities

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Definable class of products

Can be built into existing tax scheme

A (rare) revenue generating health measure

- Popular causes build public support
- A bargaining chip? Deal with industry, regressivity arguments
- Ultimately a matter for government



# (Political) Realities

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## Growers and manufacturers

- Sugar industry
- Manufacturers and employees

## Ethical considerations

- On freedom and inequality?
- Low income consumers, most price sensitive, largest reductions in consumption, biggest health benefits?
- Balancing act: potential efficacy plus distribution of benefits to impacted
- Tax 'non-core' foods, ensure likely substitutes healthier

## A long term game

- Build a coalition, frame within comprehensive strategy (e.g. UK)
- Leverage existing wins