



UNDER EMBARGO UNTIL 04:00AM 14 APRIL 2016

Media contact: Shannon Crane 0432 157 270 shannon.crane@cancervic.org.au

Sugary drinks tax could save 1,600+ lives: study

A 20 per cent tax on sugary drinks in Australia could save more than 1,600 lives and raise \$400 million per year for much-needed obesity prevention initiatives, new research co-authored by the Obesity Policy Coalition has revealed.

The impact of a tax on sugar-sweetened beverages on health and health care costs: a modelling study, was published in [PLOS ONE](#) today. It reveals how taxing soft drinks and other high-sugar beverages in Australia could result in a 12.6 per cent reduction in consumption, delivering significant health benefits including:

- 1,606 more Australians alive in 25 years, having avoided premature death due to weight-related diseases
- Reduction in common weight-related health conditions in 25 years, including:
 - 16,000 fewer cases of type 2 diabetes
 - 4,400 fewer cases of heart disease
 - 1,100 fewer cases of stroke.

Co-author of the study, OPC Executive Manager Jane Martin, said this research highlights why a 20 per cent tax on sugary drinks is needed in Australia.

“Australians consume large quantities of sugary drinks – in fact, sugary drinks are the largest contributor of added sugar in our diets¹. But with 16 teaspoons of sugar in a 600ml bottle of soft drink, regular consumption is directly linked with weight gain and overweight and obesity, which are risk factors for type 2 diabetes, heart disease and some cancers,” Ms Martin said.

“As with tobacco control, using tax to increase price is an effective lever to deter people from products that pose risks to their health. This paper shows that adding a 20 per cent tax to the price of sugary drinks can reduce consumption.”

The study also noted that the cost of implementing a 20 per cent sugary drinks tax would be minimal when compared to the savings it would provide for our healthcare system and the revenue it would generate.

“A 20 per cent tax on sugary drinks will generate an estimated \$400 million in revenue each year and reduce our healthcare costs by as much as \$480 million over 25 years,” Ms Martin said.

“This revenue could be used for programs to reduce childhood obesity, subsidise the cost of healthy food for low-income families and fund health promotion activities to improve diets.”

¹ Sugar-sweetened beverages account for the greatest proportion of added sugar intake of Australian population. Linggang Lei et al, Dietary intake and food sources of added sugar in the Australian population, British Journal of Nutrition (2016), 115, 868–877.

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A separate OPC survey into the attitudes of Australian grocery buyers found around two-thirds of respondents were in favour of a tax on soft drinks where the money was used to reduce the cost of healthy food.

Dr Gary Sacks, Senior Research Fellow from the World Health Organization (WHO) Collaborating Centre for Obesity Prevention at Deakin University and co-author of the report, said the Australian Government should follow other countries and implement a tax on sugary drinks.

“A tax on sugary drinks has been a successful tool for reducing consumption in many parts of the world including Mexico and Hungary, and just recently we’ve seen the UK and South Africa move to introduce a tax. A tax on sugary drinks is also a policy recommendation in the recently released WHO report [Ending Childhood Obesity](#),” Dr Sacks said.

“Drawing on these new findings and the growing international experience, a tax on sugary drinks should be a key element in a national strategy to combat poor diets, obesity and resulting chronic disease.”

Dr Lennert Veerman from The University of Queensland's School of Public Health also worked on the study.

“The greatest effects of a sugary drinks tax are likely to be seen in young people, who are the highest consumers of sugary drinks,” Dr Veerman said.

“Policymakers have cited the limited available evidence as a barrier to policy progress in the area of taxes on unhealthy foods, so we expect this new study will be useful to them.”

Summary of findings:

A 20 per cent sugary drinks tax can prevent:

Health issue	Per year	After 25 years*
Type 2 diabetes	800 fewer cases	16,000 fewer cases
Stroke	70 fewer cases	1,100 fewer cases
Heart disease	240 fewer cases	4,400 fewer cases

*As prevalence of weight-related health issues declines over time, estimated number of cases prevented annually also declines.

About the study

This is the first Australian study to report results of the likely impact of a 20 per cent tax on sugar-sweetened beverages on health outcomes, revenue raised and healthcare expenditure. The study was conducted by Jane Martin, OPC Executive Manager, Dr Gary Sacks, Senior Research Fellow at World Health Organization (WHO) Collaborating Centre for Obesity Prevention at Deakin University, and Lennert Veerman, Head,

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Burden of Disease & Cost-Effectiveness Unit, School of Public Health at The University of Queensland. The findings were published in [PLOS ONE](#) on 14 April 2016 (Australian Eastern Standard Time).

A 20 per cent tax has shown to be high enough to send a noticeable price signal to sugary drink consumers and raise valuable revenue. The tax was assumed to apply in addition to the existing Goods and Services Tax (GST).

For the purpose of this study, a sugar-sweetened beverage is defined as a non-alcoholic drink with added sugar, including carbonated soft drinks and flavoured mineral waters. Fruit juices and drinks, energy drinks, milk-based drinks, and cordials were excluded.

About the Obesity Policy Coalition

The Obesity Policy Coalition is a group of leading public health agencies who are concerned about the high levels of overweight and obesity, particularly in children.

The Obesity Policy Coalition is a partnership between Diabetes Victoria, Cancer Council Victoria and the World Health Organization (WHO) Collaborating Centre for Obesity Prevention at Deakin University, with funding from VicHealth.

Note to Editors:

Jane Martin and Dr Gary Sacks are available for media interview. Contact OPC Media Adviser, Shannon Crane, on 0432 157 270 or shannon.crane@cancervic.org.au to arrange.

Dr Lennert Veerman is available to speak specifically about economic modelling of a sugary drinks tax. To arrange contact him directly on 0466 098 189.

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