



Australian Health Care Reform Alliance

C/- PO Box 280 Deakin West ACT 2600 ABN 64 051 645 674
www.healthreform.org.au

Should we tax sugary drinks?

Many chronic diseases are related to lifestyle factors, such as diet, physical activity and alcohol intake.

Many health advocates support [increasing taxes on “unhealthy” products](#), such as fast food and soft drinks, in order to discourage their use.

Supporting and encouraging healthy lifestyle choices is an important policy goal but do taxes on “unhealthy” products actually reduce consumption and do they have any adverse impacts?



This article from The Economist magazine provides an economist’s perspective on “sin” taxes. It argues that while these taxes can reduce consumption, they are extremely regressive and can impact negatively on disadvantaged groups who spend proportionally more of their income on consumption.

In this way, taxing products such as soft drink and junk food can increase poverty among the most disadvantaged and widen the divide between the rich and the poor.

This is why AHCRA supports a tax on sugary drinks only if the funds raised through the tax are used to support disadvantaged groups and to address health inequalities.

We also support other measures to address the unequal access to health care across our population and to give all Australians the opportunity to maximise their health and well-being.

<https://www.economist.com/international/2018/07/26/sin-taxes-eg-on-tobacco-are-less-efficient-than-they-look>

26 September 2018