

## AUSTRALIAN CHRONIC DISEASE PREVENTION ALLIANCE



### National Tax Forum

#### Social Taxes

The Australian Chronic Disease Prevention Alliance (ACDPA) strongly supports the use of social taxes on harmful substances such as tobacco and alcohol as a means of addressing the enormous health social and economic costs that their use, or abuse in the case of alcohol, imposes on the community.

In addition the ACPDA believes that a strong case can be made on similar grounds to explore the use of taxes on unhealthy foods and beverages which contribute to the health, social and economic costs of overweight and obesity. Obesity alone has been estimated to cost Australia \$58 billion per year (1) and is now overtaking tobacco as the largest contributor to the disease burden in Australia (2).

The National Preventative Health Taskforce in its final report *Australia: the healthiest country by 2020* recommended that a review of economic policies and taxation systems be commissioned and methods developed to use these systems to promote the production and consumption of healthier food products (3). In addition, a recent report which assessed a large number of preventive health interventions, identified a 10% tax on soft drinks, confectionery and snack foods as key preventive health intervention for Australia, with the potential to both improve health and achieve net cost savings (4).

Recent comprehensive reviews of the effects of food taxes and subsidies have suggested that nontrivial pricing changes could contribute to healthier food and beverage consumption patterns and may have measurable effects on weight outcomes (5;6) especially for children and adolescents, low socio-economic populations and those at most risk of overweight or obesity (5).

A number of countries are in the process of introducing taxes on unhealthy foods and beverages. Denmark is due to introduce a tax on saturated fat from October 2011 (7) while Hungary is debating the introduction of a food tax on pre-packaged foodstuffs with high sugar, salt and carbohydrate content (8). France announced in August 2011 that it will introduce an extra 19.5% tax (on top of the 5/5% VAT) on sugary drinks from January 2012(9). Other countries are also debating the introduction of unhealthy food taxes including Taiwan, Sweden, Norway and the UK.

ACDPA considers that it is important that Australia does not close the door to the potential benefits to population health, weight status and productivity that could be achieved through the implementation of taxation measures to encourage healthier dietary patterns at the population level.

We recommend that the issue of taxing unhealthy foods be kept on the agenda when discussing tax reform and that a review of economic policies and taxation systems and how they can be used to promote the production and consumption of healthier food products be undertaken as recommended by the National Preventative Health Taskforce.

## Reference List

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