

Date: 18 October 2010
Contact: Rebecca Cook - 0438 316 435

Junk food tax needs to be on the table at Tax Summit



The Obesity Policy Coalition (OPC) has called on the Federal Government to include serious discussion of food pricing initiatives, including a junk food tax and healthy food subsidies, at the upcoming Tax Summit.

Calls today for a junk food tax published in the *Medical Journal of Australia* support existing evidence of the effectiveness of financial incentives to reduce consumption.

Senior Policy Adviser for the Obesity Policy Coalition, Jane Martin, said that as part of a comprehensive approach to obesity prevention, price is a proven and cost-effective measure to reduce the amount of unhealthy food people buy and eat. However, she warned that it is important to couple price changes with subsidies for fresh food to avoid putting undue pressure on families and individuals on lower incomes.

"It's not enough just to increase the price of junk foods, you need to cut the price of healthy foods to make them more affordable. At the moment it is cheaper to buy two litres of soft drink than to buy one bottle of water. We need to create financial incentives for people to make healthier choices and to ensure the healthy options are the cheap, affordable options."

"There were no recommendations on food pricing in the Henry Tax Review; however, there is good evidence around the impact of financial levers on the consumption of tobacco and alcohol to suggest a junk food tax could have real health benefits.

"We call on the Federal Government to put junk food tax on the agenda at the upcoming Tax Summit," she said.

Ms Martin suggested a phased approach to implementing a junk food tax-subsidy combination.

"A phased approach to taxation could start with a tax on foods and drinks that contribute most to overweight and obesity, such as sugary soft drinks. This would have a significant impact on the weight and health of children and enable evaluation of the impact of taxing unhealthy foods in Australia," said Ms Martin.

Medical
release



"This approach could also require that the tax collected is spent on reducing the cost of fresh fruit and vegetables and other healthy foods for children and families in need."

Several countries have implemented taxes on junk food or particular items such as soft drink. In the US, 33 states levy taxes on soft drinks; Taiwan is introducing a tax on junk food; and Denmark taxes some high fat and sugar foods.

About the Obesity Policy Coalition

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

The Obesity Policy Coalition partners include Diabetes Australia - Vic, Cancer Council Victoria, Victorian Health Promotion Foundation (VicHealth) and the World Health Organization Collaborating Centre for Obesity Prevention at Deakin University.



Media release



WHO Collaborating Centre
for Obesity Prevention