

# Sugar tax a minimal hit to hip pocket

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Study finds sugar tax would have a minimal impact on the hip pocket of low-income earners. Credit: Deakin University

A tax on sugary drinks would have minimal impact on the hip pocket of low-income earners, a Deakin University study has found.

Researchers with Deakin's Centre for Population Health Research

reviewed the results of studies conducted in high-income countries that examined the health and financial impacts of a sugar-sweetened beverage (SSB) [tax](#). They found that a tax resulted in health benefits for low and high income households and that low-income earners would pay a higher proportion of their income on the tax, but the impact would be minimal at around \$10 extra a year.

"This study debunks the rhetoric from those opposed to a sugar tax on the basis that low-income earners would be seriously worse off financially," said Dr Kathryn Backholer.

"Taxing sugary drinks as a political move to address the unsustainable rising costs of obesity and diet-related ill health has gained much traction this year, with the most recent moves for such a tax put forward by The Greens in the lead up to the Federal election.

"Despite research showing that such a tax can result in a reduction in weight and consumption of [sugar sweetened drinks](#), many opposed to such a move focus on how it would be inequitable and a tax on the poor.

"While our study confirmed that a tax is likely to be financially regressive, with lower income groups paying a greater proportion of their income in additional tax, the difference was consistently less than \$10 a year or 0.1-1 per cent of annual income for low income households based on a tax of up to 20 per cent."

The study also demonstrated that a tax on SSBs, within the current evidence base, would have a similar impact on consumption and weight outcomes for high and low income households or a greater impact among those with a lower income.

"With regular consumption of SSBs found to be associated with excess weight gain and a number of comorbid conditions, including diabetes,

cardiovascular disease and dental caries, all avenues for reducing how much people consume should be considered," Dr Backholer said.

"If the revenue raised from a sugary drinks tax were used to support healthy eating or physical activity initiatives, as proposed in the UK, the impacts on health and [health](#) equity are likely to be even greater."

"Lower income earners currently bare a disproportionate share of the burden of the non-communicable disease in Australia. A tax on [sugary drinks](#) should be seriously considered as one strategy, among many, to address the unsustainable and inequitable rise of non-communicable disease in Australia."

**More information:** Kathryn Backholer et al. The impact of a tax on sugar-sweetened beverages according to socio-economic position: a systematic review of the evidence, *Public Health Nutrition* (2016). [DOI: 10.1017/S136898001600104X](#)

Provided by Deakin University

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