



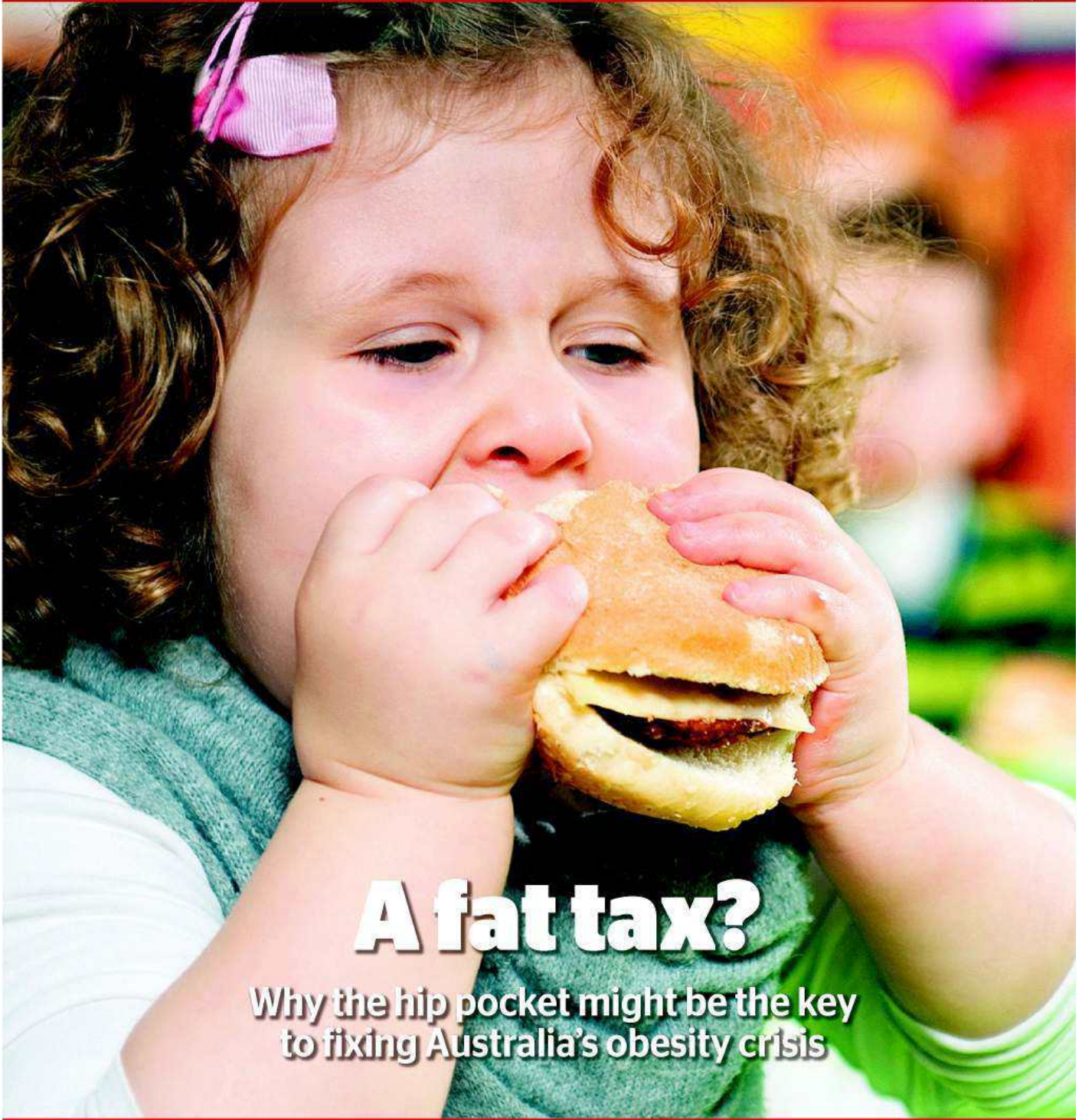
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# Anyone for a great big, fat tax?

The Western world is beginning to embrace measures to fight obesity but Australia is a conspicuous absentee, writes **Cosima Marriner**

HUNGARY has a hamburger tax, Denmark has just imposed the world's first fat tax, the US is debating a "soda tax" and now Britain is contemplating its own junk food levy.

Around the world governments are slapping taxes on unhealthy food and drink in a bid to combat the alarming rise in obesity. So will Australians, among the fattest people on the planet, soon get our very own fat tax?

"Governments internationally are recognising we need to take some action," says the president of the Australian Medical Association, Dr Steve Hambleton.

"The [Australian] government will have to come around eventually."

But does the Gillard government, having just managed to push its controversial carbon tax through Parliament, have the will for such a radical step as a fat tax?

Many obesity experts say no but a tax on soft drink, with the proceeds used to subsidise healthy food for people on low incomes, could emerge as a compromise.

Obesity is challenging smoking as the No. 1 cause of preventable death. The lifestyle disease leads to type 2 diabetes, heart disease, osteoarthritis and certain types of cancer. One-quarter of Australian children are now obese, costing the country nearly \$60 billion.

Despite the dire social and economic implications of the obesity epidemic, Australia lags behind other countries when it comes to taking the drastic action needed to fix the problem.

The federal government has been relying on public education such as its "Swap it, Don't Stop it" campaign and grants for community programs such as Stephanie Alexander's Kitchen Garden to improve our diet.

Yet obesity levels continue to rise.

"Public health campaigns are destined to fail because [food] companies can outspend [the government]," says Dr Kelly Brownell, a renowned obesity expert from Yale University.

"There has to be a shift around the economics of food so unhealthy food is more expensive and healthy food is cheaper."

There is an emerging international consensus that only direct government intervention such as taxation will discourage people from eating unhealthy food.

"Price is a key driver of decisions around what food to buy," says Jane Martin, a senior policy adviser to the Obesity Policy Coalition.

"Tax has been used to decrease smoking and alcohol consumption very successfully in Australia, so we need to look at how it could be used to improve our diets."

A tax on tobacco was once considered a radical idea. "Then a few places did it, then a few more and then we had a worldwide phenomenon. I think we're in exactly the same development stage [with a junk food tax] now," Brownell says. "The worldwide problem of obesity has become more evident to governments – not just health authorities – because of the high cost and human toll it takes."

Since last month Hungarians have been paying more for pre-packaged foods that contain high levels of sugar, salt, carbohydrates and caffeine. The money raised by the so-called hamburger tax will be spent on public health projects.

A fortnight ago Denmark introduced the world's first fat tax, levied on foods, including butter and bacon, that contain more than 2.3 per cent saturated fat.

Denmark has one of the lowest rates of obesity in the world, at less than 10 per cent of the population, compared with the European average of 15 per cent.

In America, where one in three people are obese, the merits of a tax on soft drinks are being debated. Americans are drinking twice as many sugary drinks as they were 35 years ago and every extra glass of sugar-sweetened drink a child consumes increases their risk of becoming obese by 60 per cent.

Now the British Prime Minister, David Cameron, whose ruling Conservative Party has long advocated "nudging" – rather than forcing – people towards healthier food choices, has admitted that a radical step akin to Denmark's fat tax may be needed in his country. A quarter of British people are obese.

Even France has banned tomato sauce at school and university cafeterias. The new food regulations also stipulate vegetables must be served with every meal and chips can only be served once a week.

But in Australia, where obesity levels are on a par with Britain, the government is dragging its heels.

The National Preventative Health Taskforce recommended the government consider taxing unhealthy foods and subsidising healthy foods. A poll conducted on the AMA's website in the wake of Denmark's fat tax found almost three-quarters of voters supported such a tax.

"The monies raised should [go towards] subsidies for fruit and vegetables, particularly in remote areas," says Hambleton of the AMA.

The deputy chairman of the Preventative Health Taskforce, Professor Mike Daube, has been spruiking a junk food tax since 2007. But he believes the government has put such a move in the too-hard basket, because it would be difficult to distinguish "good" fats from "bad" fats.

"The political reality is a junk food tax ... is a bit unlikely in the next 20, 30 years," Daube says.

"The food industry is incredibly strong and powerful, taxes are never popular and [a fat tax] isn't black and white."

Obesity experts say a tax on sugary drinks is a more palatable option. "If you're looking at something to reduce obesity, a soda tax is much easier, because the product has no redeeming features, none," Daube says. "People understand it's just sugary garbage."

Research has shown that a 10 per cent increase in the cost of a can of fizzy drink could cut consumption by about 8 per cent.

The introduction of any fat tax or soft drink tax would be fiercely resisted by the local food and beverage industry. They argue there is already a 10 per cent tax on processed food and drink – the GST.

The Australian Beverages Council chief executive, Geoff Parker, says a tax on soft drink "would be useless in trying to address the nation's expanding waistline". He cited a

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recent University of Sydney Study that showed Australians' consumption of sugar has dropped substantially at the same time as obesity levels have risen.

All obesity experts agree that any

tax on unhealthy food or drink should be accompanied by a ban on junk food marketing to children and the introduction of traffic light nutrition labelling for food.

"We should make it easier to make

healthy choices," Hambleton says. "We can't put the interests of the junk food industry before the future health of Australian children."

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Couch (fried) potatoes ... obesity is on the rise in Australia. Photo: Karen Neumann

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There has to be a shift around the economics of food so unhealthy food is more expensive and healthy food is cheaper.

Dr Kelly Brownell,  
Yale University



Unhealthy appetites ... many firm favourites of Australian eating would be hit by a tax on fatty foods. Photo: Tamara Vorinski