SUGAR TAX IS NO CURE FOR OBESITY

It's a complex problem and the solution will not be simple, but we're working on it.

Obesity is a major social challenge. There’s no hiding from it, and there’s no way to ignore the numbers on obesity’s rise and rise: a record 63 per cent of Australian adults are overweight or obese, up from 57 per cent 20 years ago. One in four children is overweight or obese. We’re not the worst in the world — that title goes to the US — but we’re in the top five.

There’s also no hiding from the fact that obesity brings ill health and disease, including diabetes, stroke and heart conditions. The Australian Institute of Health and Welfare reports that at least 7 per cent of the total health burden in Australia is caused by overweight or obesity. So there’s no room to ignore this problem, and the question on obesity is not if we address it, but how.

The answer is a mix of both diet and physical activity, though public debate seems focused on diet. There’s an academic recognition that obesity reduction is complex and actual change will come slowly. But unfortunately human nature tends to search for the quick fix, and today’s popular quick fix is higher taxes.

As a major beverages company, we understand the role that diet plays in health and wellbeing. Australians are eating more and moving less, so we need to be more conscious of the kilojoules we take in. We believe that choice and information are essential for consumers to be able to make the right decisions for themselves and their families.

We’ve worked closely with NGOs, the community and government to encourage healthy consumption and maximise consumer choice. In recent years we’ve introduced smaller pack sizes, made sure all ingredients and calories are clearly labelled, reduced sugar content across our range and adhered to an industry ban on marketing to children. We have some runs on the board, and we’re keen on encouraging a wider, well-informed debate.

So it’s disappointing when that debate gets derailed by misleading commentary and simplistic answers. Recently the ABC’s Four Corners featured claims that sugar consumption was akin to smoking — part of a campaign in support of soft drink taxes as a quick fix to obesity issues. It might sound catchy but it is wildly inaccurate. There is simply no comparison between sugar and tobacco. Tobacco of itself is harmful — in any quantity. Our beverages are not. They can be enjoyed as part of a balanced, active and healthy lifestyle that includes a sensible diet, proper hydration and some physical activity.

The argument for a soft drinks tax itself is also catchy but misleading. Just 2 per cent of the average Australian’s kilojoule intake comes from soft drinks. In fact, that proportion is falling — last year the Australian Bureau of Statistics reported that consumption of added sugar has declined since 1995, driven by a 6 per cent drop in adult consumption, and 23 per cent decline for children. That’s a credit to vigilant parents around Australia who are succeeding in changing the habits of the consumers of the future by cutting back on the daily intake of sugar in everything from breakfast cereals, milkshakes, soft drinks and ice cream. It’s also a credit to the Australian food industry, which has heard consumer demands and is producing more low and no-sugar options in everyday foods.

But despite these gains, the news is negative on obesity rates. Sugar consumption is down but obesity is up. It’s the same in the US: obesity has more than doubled since 1990 while sugar intake fell. Clearly neither sugar, nor drinks sweetened with sugar, were the major cause of this obesity rise. Yet the debate remains locked on sugar taxes.

There’s little evidence that sugar taxes work. The much-vaunted Mexico soft drinks tax is a case in point. In 2012 a total of 71.2 per cent of Mexicans were overweight or obese. A soft drinks tax was introduced. By 2016 the national overweight and obesity rate was 72.5 per cent. The new taxes had cost jobs, closed businesses and forced poorer families to pay more.

Similar results would be expected in Australia: sugar taxes would cost jobs in farming, manufacturing and retail while generating little to no return in obesity reduction.

Research by the McKinsey Global Institute last year examined 16 popularised options for obesity prevention and found portion control, product reformulation and consumer education were consistently in the top five; sugar taxes ranked near the bottom of the list at No 13.

So if sugar taxes aren’t the answer as we see it, what are we doing instead? Four years ago we made commitments to help address overweight and obesity in Australia: increasing the availability of smaller pack sizes, offering more low-kilojoule options and providing more transparent nutrition information.
More recently we also committed to reducing sugar content across our portfolio by 10 per cent by 2020.

We know we need to do more, particularly with some specific groups in our community such as indigenous groups, and we are working with the likes of the World Health Organisation, which recommends that no more than 10 per cent of daily calories are sourced from added sugars.

We’re keen to continue the debate and to keep playing our part, but let’s put aside the quick fix taxes, which won’t work and will hurt. Obesity is complex and the solutions are hard. We look forward to the challenge. Alison Watkins is group managing director of Coca-Cola Amatil