



**#Sickly-Sweet**

**2025-26  
Pre-budget  
Submission**





## CHAPTER 4: A HEALTH SYSTEM FOR ALL

### Problem statement

While governments recognise the importance of good health, investment in preventive health is often looked at as a cost rather than an investment. Spending on preventive health in Australia remains low by Organisation for Economic Co-operation and Development (OECD) standards — less than two per cent of health expenditure, and around 1.5 per cent in 2018–19 and 2019–20.<sup>1</sup> There are several reasons for this, including:

- investment in prevention often does not show immediate returns
- short-term political cycles incentivise initiatives that will deliver demonstrable short-term rewards, as opposed to long-term benefits
- there are challenges in collating the evidence to determine what preventive measures have the greatest efficacy
- there are several piecemeal sources of funding for preventive health across the various levels of government, reducing the ability to determine the return on investment
- the loss of the Australian National Preventive Health Agency — an independent agency focused on providing evidence-based advice to Commonwealth and state and territory governments on preventive health and the effectiveness of interventions — in 2014<sup>2</sup>
- healthcare needs and outcomes are not uniform across the Australian population
- the complexity of social determinants of health
- preventive health programs often consist of a variety of different initiatives, leading to challenges in identifying those which are most successful.<sup>3</sup>

Public health encompasses a broad range of measures that aim to prevent disease, promote health, and prolong life. Investing in public health measures such as disease surveillance, vaccination programs, and health promotion, can have a significant impact on reducing healthcare costs and improving health outcomes. Public health initiatives also aim to address health and social inequalities and ensure that everyone has access to healthcare and social determinants of health, regardless of their socioeconomic status, Indigenous status, or geographic location. For public health measures to be successful, they must encourage the population to take preventive actions to improve their own health outcomes.

Alarmingly, the prevalence of obesity in Australia is expected to increase, with projections suggesting that a third of the adult population will be obese by 2025. There is even some evidence to suggest that overweight and obesity is set to overtake tobacco as the major cause of preventable death in Australia.<sup>4</sup>

The scale of the obesity crisis is not surprising given the significant consumption of unhealthy foods and drinks in Australia due to their wide availability and affordability. This is confounded by low levels of physical activity and limited population understanding of what is in food and drink products and what constitutes a healthy diet.<sup>5</sup>

Obesity is a major risk factor for chronic and preventable conditions including type 2 diabetes, heart disease, hypertension, stroke, gall bladder disease, osteoarthritis, sleep apnoea and respiratory problems, mental health disorders and some cancers (including endometrial, prostate, breast and colon).<sup>6</sup> This not only diminishes the health and wellbeing of Australians but places a huge financial burden on our health system, in particular our public hospitals. In 2021, the AMA estimated that if no action is taken to stem the obesity crisis, by 2025 taxpayers will have paid a further \$29.5 billion (over four years) for the direct healthcare costs of obesity and the associated chronic diseases.<sup>7</sup> From a health perspective, it is far better to prevent obesity in the first place than try to manage it once established.

## Policy proposals

### A tax on sugar-sweetened beverages

This section draws on the AMA research report *A tax on sugar-sweetened beverages: Modelled impacts on sugar consumption and government revenue* with some of the modelling adapted and extended to give estimates between 2025–26 and 2028–29.

Sugar-sweetened beverages are a major contributor to the obesity crisis, with studies showing a strong association between consumption of these drinks and obesity.<sup>8</sup> Additionally, sugar-sweetened beverages have a significant impact on oral health, as regular consumption is associated with dental caries/cavities (tooth decay) and erosion.<sup>9</sup>

Sugar-sweetened beverages contain 8–12 teaspoons (33–50 grams) of sugar in the average 375 millilitre can of soft drink.<sup>10</sup> Despite the high sugar content and the health risks, Australians are consuming sugar-sweetened beverages in huge volumes. In 2019–20, Australians consumed on average 70 grams of free sugar a day, with more than a quarter (18g) of this coming from sugary drinks.<sup>11</sup> The AMA estimates that Australians drink 2.2 billion litres of SSBs per year.<sup>12</sup> In June of 2024, the House of Representatives through the Standing Committee on Health, Aged Care and Sport released a report on the *State of Diabetes Mellitus in Australia in 2024*. The report included Recommendation 4 for a proposal for a sugar tax:

*"the Australian Government implements a levy on sugar-sweetened beverages, such that the price is modelled on international best practice and the anticipated improvement of health outcomes. The levy should be graduated according to the sugar content"*<sup>13</sup>.

Despite this recommendation, no legislation has been passed by the parliament.

A tax can deliver both a clear message for consumers that the product is unhealthy, and a tangible deterrent in the form of higher prices. An appropriately designed tax can also incentivise manufacturers to reduce the sugar content in their products. In 2024, Grattan Institute also joined the AMA's calls for a sugar tax, advocating for the introduction of a tax on sugary drinks<sup>14</sup>, joining a growing list of leading public health groups.

### Risks and implementation

#### *Tax design*

The AMA recommends that the tax be on sugar content, which is a sliding scale where the tax increases as the sugar content increases. A sugar content tax is the most logical option, given that harm is caused proportionate to the sugar content, not the value or the liquid volume. It is the only option that creates an incentive for manufacturers to lower the sugar content of their products, and therefore is the option most targeted at reducing sugar consumption.

#### *Sugar-sweetened beverages subject to the tax*

The AMA is calling for a tax on selected sugar-sweetened beverages — all non-alcoholic drinks containing free sugars, excluding 100 per cent fruit juice, milk-based and cordial drinks (i.e. those that provide no nutritional benefit).

#### *Target of tax*

The AMA recommends the tax be applied to domestic and international manufacturers of sugar-sweetened beverages. The tax should be targeted at the manufacturer in order to incentivise reformulation. An excise (and customs) tax is the most logical option to do this.

#### *Scale of tax*

It is recommended that the tax be set at \$0.50/100g sugar, to reduce consumption, improve health outcomes, and lower the financial burden on the healthcare system. This aligns with the World Health Organization's recommendation that a tax on sugar-sweetened beverages would need to raise the retail price by at least 20 per cent to have a meaningful health effect.<sup>15</sup> Several comparable countries to Australia have implemented sugar content taxes, some of which are set at a similar rate to that which is proposed.<sup>16</sup> The tax would raise the price of a 375ml can of coke (which contains 40g sugar) by \$0.20.



## Risks and implementation

Australian surveys have consistently shown majority support for a tax on sugar-sweetened beverages.<sup>17</sup> Public support is even higher if tax revenue is hypothecated to fund initiatives to tackle obesity.<sup>18</sup> A nationally representative survey undertaken in 2017 found 60 per cent of Australians support a tax on sugary drinks. This increased to 77 per cent support if the proceeds were used to fund obesity prevention.<sup>19</sup>

Risks around the introduction of a sugar-sweetened beverage tax are also limited, as a number of other countries have successfully introduced such a tax and been successful in reducing consumption and incentivising reformulation of sugar sweetened beverages.

As of July 2022, at least 108 countries have applied national-level excise taxes on at least one type of sugar sweetened beverage (SSB), and many jurisdictions, including 8 in the United States (Albany, California; Berkeley, California; Oakland, California; San Francisco, California; Seattle, Washington; Boulder, Colorado; Philadelphia, Pennsylvania, Washington; District of Columbia); 2 in Canada, 2 in Europe, and 4 in the Pacific Islands.

Despite several countries implementing SSB taxes for revenue raising reasons, more than 108 countries have implemented a sugar sweetened beverage tax.<sup>20</sup>

There has been confirmed success already in a number of countries, including the United Kingdom (2018), Mexico (2014), France (2012), Chile (2014), Catalonia, Spain (2016) and in some United States jurisdictions (Portland 1991; Cleveland 2003; Berkeley 2015 2024), where robust evaluations have shown a drop in consumption following the tax. Furthermore, in the UK, modelling has shown that the amount of sugar consumed by children has decreased to almost one teaspoon per day within a year of the sugar levy being introduced in 2018.<sup>21</sup>

This trend is also reflected in adults' whereby their sugar intake fell by the equivalent of more than two teaspoons per day.<sup>22</sup> Further, between 2015 and 2019, the percentage of drinks in supermarkets with sugar content of more than 5 g per 100 mL fell from 49 per cent to 15 per cent of available drinks.<sup>18</sup> Moreover, Hungary, showed a significant reduction in the rate of change of overweight prevalence following the implementation of the sugar tax, and a slowing trend has been observed in Paraguay. Obesity rates have declined in Brazil, Hungary, and Panama, and slowing trends have been observed in El Salvador, Honduras, and France. Furthermore, a significant reduction in obesity levels has been observed in Panama and Paraguay following the implementation of SSB taxation.<sup>23</sup>

As such, Australia has multiple examples of successful international examples from which to draw when implementing such a tax.

### *Impact on obesity and healthcare expenditure*

Reduced sugar consumption and improved diet would likely lead to a reduction in the prevalence of obesity and substantial healthcare savings. According to previous Australian modelling, a sugar-sweetened beverage tax that increases the retail price by 20 per cent would lead to a reduction in the prevalence of obesity of around 2 per cent, and healthcare expenditure savings of \$609 million to \$1.73 billion (over the lifetime of the population modelled).<sup>24</sup>

### *Impact on vulnerable groups*

A flat tax will inevitably have a greater impact on lower income consumers of the taxed product, as a proportion of their expenditure/income. This regressive effect is reduced if there is an untaxed substitute that consumers can easily switch to.<sup>24</sup> In the case of sugar-sweetened beverages, healthy substitutes such as water are readily available and affordable to most people, and consumers can avoid the tax, as well as improving their health, by making this change.

### *Impact on sugar industry*

There would be minimal impact on Australia's sugar industry as around 80 per cent of Australia's domestic sugar production is exported (averaged over the past decade),<sup>25</sup> and only 5.3 per cent of total domestic production goes towards domestic SSB manufacture.<sup>26</sup> The estimated change in sugar-sweetened beverage consumption due to the proposed tax is 14 to 25 per cent, which translates to a 0.72 to 1.2 per cent drop in demand for domestic sugar production. The domestic sugar market has a much greater level of volatility than this change.<sup>27</sup> The impact on the sugar industry is therefore anticipated to be minimal and does not appear to warrant a government assistance package. Government may wish to consider whether there are any specific small farmers that mainly supply the domestic market, who may warrant an assistance package (which could be funded from the tax revenue). The sugar industry is in a better position now than it has been in some time. The global benchmark sugar price is approximately \$USD 0.22 per pound, where it often went as low as \$USD 0.10 per pound across the past decade and as recently as 2020.<sup>28</sup>

## The risks of not taking action

There is a strong association between consumption of sugar-sweetened beverages and increased energy intake, weight gain and obesity.<sup>29</sup> Conversely, reduced consumption of sugar-sweetened beverages is significantly associated with weight loss.<sup>30</sup> People living with obesity have healthcare costs that are approximately 30 per cent greater than their healthy weight peers.<sup>31</sup> Many of these healthcare costs are borne by the government, with the AMA estimating that if no action is taken to stem the obesity crisis, by 2025 governments will have footed a further \$38.0 billion for the direct healthcare costs of obesity (over four years to 2028–29).<sup>32</sup>

Consumers have been gradually switching to artificially sweetened soft drinks, a continuation of a trend in place for some years, reducing sales of sugar sweetened soft drinks. In addition, total sales of soft drinks fell, mostly as a result of higher prices and the impact of cost of living for family budgets. This is welcome, however there has still been **strong sales growth in energy drinks and sports drinks of over 11 per cent per year in the 4 years to 2022-23**. This suggest younger consumers preferences are adapting to new markets but not away from sugar.

## Timeframe and costing

Original modelling by the AMA indicates a tax on select sugar-sweetened beverages would reduce sugar consumption by 14 per cent in 2025–26, to 25 per cent by 2028–29 and raise annual government revenue of \$937 million in 2025–26, falling to \$884 million in 2028–29. Over four years (2025–26 and 2028–29), this would translate to government revenue of \$3,642 million. More importantly, it would result in the reduction of 2.0 kilograms of sugar per person per year consumed through sugar-sweetened beverages. The rate of tax per 100g of sugar is indexed at an assumed 2.5 per cent between 2025–26 and 2028–29.

Consumption of sugar-sweetened beverages would drop the most when the tax is first introduced. An assumption in this modelling is that manufacturers would reformulate their products to reduce the impact of the tax and to align with an accelerated consumer preference for healthier beverages. These two factors cause the revenue raised from the tax to fall over time. The rate of reformulation has been assumed to match a similar reduction in sugar per beverage (34 per cent) to what was seen in the United Kingdom following introduction of a similar tax, but across a longer timeframe of five years, whereas this occurred in the United Kingdom within three years.

In this modelling, the impact of the tax is compared to and built upon a 'no tax' scenario. In the no tax scenario, growth in sugar-sweetened beverage consumption is estimated by modelling industry volume from IBISWorld<sup>33</sup> industry projections, and inflation data<sup>34</sup> and forecasts.<sup>35</sup> Inflation outside the forecast period is assumed to average 2.5 per cent. There is also assumed to be a gradual move toward no and low sugar beverages at the rate of a one per cent increase in market share of those products each year, in line with the aggregate industry trend.<sup>33</sup>

It is anticipated the government would use the existing Australian Taxation Office (ATO) policies and processes responsible for excise and excise equivalent goods to administer the new sugar-sweetened beverage tax. It is assumed there would be an initial cost to set up new internal processes — an indicative estimate is given of \$2 million in set-up cost and \$0.5 million per year thereafter for ATO's ongoing compliance duties.

Table 10: Impact of implementing an excise tax on select sugar-sweetened beverages

	2025–26	2026–27	2027–28	2028–29	Total
Sugar per person from SSBs (kg/person)	6.8	6.4	6.1	5.8	
Excise rate per 100g sugar (\$)	0.50	0.51	0.52	0.53	
SSB revenue (\$m)	937	919	902	884	3642
Estimated cost of administration to Australian Taxation Office (\$m)	2.00	0.50	0.50	0.50	3.50
<b>Total revenue to government (\$m)</b>	<b>935</b>	<b>918</b>	<b>901</b>	<b>883</b>	<b>3,638</b>

## CHAPTER 4 REFERENCES

- <sup>1</sup> Australian Government Australian Institute of Health and Welfare (2021). *Health expenditure Australia 2019–20*. Retrieved 01/10/2024 from: <https://www.aihw.gov.au/reports/health-welfare-expenditure/health-expenditure-australia-2019-20/contents/summary>
- <sup>2</sup> Parliament of Australia (2014). *Australian National Preventative Health Agency (Abolition) Bill 2014*. Retrieved 03/07/2024 from: [https://www.aph.gov.au/Parliamentary\\_Business/Bills\\_Legislation/Bills\\_Search\\_Results/Result?bId=r5203](https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r5203)
- <sup>3</sup> Stepanek, M., Hafner, M., Taylor, J., Grand-Clement, S., & van Stolk, C. (2017). *The return on investment for preventative healthcare programmes*. RAND Corporation. Retrieved 01/11/2024 from: [https://www.rand.org/content/dam/rand/pubs/research\\_reports/RR1700/RR1787/RAND\\_RR1787.pdf](https://www.rand.org/content/dam/rand/pubs/research_reports/RR1700/RR1787/RAND_RR1787.pdf)
- <sup>4</sup> PwC Australia (2015). *Weighing the cost of obesity: A case for action*. pp4-5, 61-63. Retrieved 12/11/2024 from: <https://www.pwc.com.au/pdf/weighing-the-cost-of-obesity-final.pdf>
- <sup>5</sup> Australian Institute of Health and Welfare (2020). *Insufficient physical activity*. Retrieved 16/11/2024 from: <https://www.aihw.gov.au/reports/risk-factors/insufficient-physical-activity/contents/insufficient-physical-activity>
- <sup>6</sup> Centers for Disease Control and Prevention (2011). *Overweight and obesity*. Atlanta, GA: Centers for Disease Control and Prevention. Retrieved 12/05/2024 from: [www.cdc.gov/obesity](http://www.cdc.gov/obesity)
- <sup>7</sup> Australian Medical Association (2021). *A tax on sugar-sweetened beverages: Modelled impacts on sugar consumption and government revenue*. Retrieved 12/03/2024 from: <https://www.ama.com.au/articles/tax-sugar-sweetened-beverages-what-modelling-shows-0>
- <sup>8</sup> Te Morenga, L., Mallard, S., & Mann, J. (2013). Dietary sugars and body weight: systematic review and meta-analyses of randomised controlled trials and cohort studies. *British Medical Journal* 346, e7492. Doi: 10.1136/bmj.e7492.
- <sup>9</sup> Valenzuela MJ, Waterhouse B, Aggarwal VR, Bloor K, Doran T. (2021). Effect of sugar-sweetened beverages on oral health: a systematic review and meta-analysis. *Eur J Public Health*. 1;31(1):122-129. Doi:10.1093/eurpub/ckaa147.
- <sup>10</sup> Miller, C., Wakefield, M., Braunack-Mayer, A., Roder, D., O’Dea, K., Ettridge, K. & Dono, J. (2019). Who drinks sugar sweetened beverages and juice? An Australian population study of behaviour, awareness and attitudes. *BMC Obesity* 6(1). Doi: 10.1186/s40608-018-0224-2
- <sup>11</sup> Australian Bureau of Statistics (2020). *Apparent Consumption of Selected Foodstuffs, Australia*. Retrieved 12/01/2024 from: <https://www.abs.gov.au/statistics/health/health-conditionsand-risks/apparent-consumption-selected-foodstuffs-australia/2019-20>
- <sup>12</sup> Australian Medical Association (2024). *A sweet deal: the case for taxing sugar-sweetened beverages*. Retrieved 12/05/2024 from: <https://www.ama.com.au/sites/default/files/2024-02/A%20sweet%20deal%20-%20the%20case%20for%20taxing%20sugar-sweetened%20beverages.pdf>
- <sup>13</sup> Parliament of Australia (2024). *The State of Diabetes Mellitus in Australia in 2024*. Retrieved 3/12/2024 from: [https://www.aph.gov.au/Parliamentary\\_Business/Committees/House/Health\\_Aged\\_Care\\_and\\_Sport/Inquiry\\_into\\_Diabetes/Report](https://www.aph.gov.au/Parliamentary_Business/Committees/House/Health_Aged_Care_and_Sport/Inquiry_into_Diabetes/Report)
- <sup>14</sup> Grattan Institute (2024) *Sickly sweet: It’s time for a sugary drinks tax*. Retrieved 4/12/2024 from: <https://grattan.edu.au/report/sickly-sweet/>
- <sup>15</sup> World Health Organization (2016). *Fiscal policies for diet and prevention of noncommunicable diseases*. Technical Meeting Report. 5-6 May 2015, Geneva, Switzerland. WHO: Geneva. pp9, 24. Retrieved 21/10/2024 from: <https://apps.who.int/iris/bitstream/handle/10665/250131/9789241511247-eng.pdf?sequence=1>
- <sup>16</sup> Rethink Sugary Drink (2023). *How much sugar is in...?’* Retrieved 08/11/2024 from: <https://www.rethinksugarydrink.org.au/how-much-sugar>

- <sup>17</sup> Obesity Evidence Hub (2024). *Case for a tax on sugar-sweetened beverages (SSBs) in Australia*. Retrieved 4/12/2024 from <https://www.obesityevidencehub.org.au/collections/prevention/the-case-for-a-tax-on-sweetened-sugary-drinks#:~:text=Over%2020%20key%20health%20and,such%20as%20obesity%20prevention%20program> S.
- <sup>18</sup> Miller, C.L., Dono, J., Wakefield, M.A., Pettigrew, S., Coveney, J., Roder, D., ... & Ettridge, K.A. (2019). Are Australians ready for warning labels, marketing bans and sugary drink taxes? Two cross-sectional surveys measuring support for policy responses to sugar-sweetened beverages. *BMJ Open* 9, e027962.
- <sup>19</sup> Sainsbury, E., Hendy, C., Magnusson, R. & Colagiuri, S. (2018). Public support for government regulatory interventions for overweight and obesity in Australia. *BMC Public Health* 18, 513. Doi: 10.1186/s12889-0185455-0
- <sup>20</sup> World Health Organisation (2023). *Global report on the use of sugar-sweetened beverage taxes, 2023*. Retrieved 2/9/2024 from: <https://www.who.int/publications/i/item/9789240084995>
- <sup>21</sup> London School of Hygiene & Tropical Medicine (2024). *Expert Comment – 'Sugar tax' on soft drinks shown to reduce sugar intake*. Retrieved 3/8/2024 from: <https://www.lshtm.ac.uk/newsevents/news/2024/expert-comment-sugar-tax-soft-drinks-shown-reduce-sugar-intake#:~:text=A%20levy%20on%20sugar%20in,an%20analysis%20of%20UK%20data.%20-%20sugar%20tax%20success%20story%201>
- <sup>22</sup> UCL NEWS (2024). *Fall in daily sugar intake following introduction of UK sugar tax*. Retrieved 3/8/2024 from <https://www.ucl.ac.uk/news/2024/jul/fall-daily-sugar-intake-following-introduction-uk-sugar-tax>
- <sup>23</sup> Sassano, M., Castagna, C., Villano, L., Quaranta, G., Pastorino, R., Ricciardi, W., Boccia, S. (2024). National taxation on sugar-sweetened beverages and its association with overweight, obesity, and diabetes. *The American Journal of Clinical Nutrition*, 119(4), 990-10006. Doi: 10.1016/j.ajcnut.2023.12.013
- <sup>24</sup> Teng, A.M., Jones, A.C., Mizdrak, A., Signal, L., Genc, M. & Wilson, N. (2019). Impact of sugar-sweetened beverage taxes on purchases and dietary intake: Systematic review and meta-analysis. *Obesity Reviews* 20, 1187-1204. Doi: 10.1111/obr.12868;
- <sup>25</sup> Backholer, K. & Baker, P. (2018). Sugar-sweetened beverage taxes: The potential for cardiovascular health. *Current Cardiovascular Risk Reports* 12. Doi 10.1007/s12170-018-0593-6
- <sup>26</sup> Sugar production estimates are from Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES). *Agricultural Commodity Statistics 2022— Rural Commodities — Sugar*. Retrieved 25/08/2024 from: <https://www.agriculture.gov.au/abares/research-topics/agricultural-outlook/data#2022>
- <sup>27</sup> See full paper for explanation of how this was calculated: Australian Medical Association (2021). *A tax on sugar-sweetened beverages: Modelled impacts on sugar consumption and government revenue*. Retrieved 08/08/2024 from: <https://www.ama.com.au/articles/tax-sugar-sweetened-beverages-what-modelling-shows>
- <sup>28</sup> Bloomberg (2024). *Markets Data Sugar, Generic 1st 'SB' Future*. Retrieved 4/12/2024 from: <https://www.bloomberg.com/quote/SB1:COM>
- <sup>29</sup> See full paper for explanation of how this was calculated: Australian Medical Association (2021). *A tax on sugar-sweetened beverages: Modelled impacts on sugar consumption and government revenue*. Retrieved 03/08/2024 from: <https://www.ama.com.au/articles/tax-sugar-sweetened-beverages-what-modelling-shows>
- <sup>30</sup> Malik, V.S., Schulze, M.B. & Hu, F.B. (2006). Intake of sugar-sweetened beverages and weight gain: a systematic review. *The American Journal of Clinical Nutrition* 84(2), 274-288. Doi: 10.1093/ajcn/84.2.274; Vartanian, L.R., Schwartz, M.B. & Brownell, K.D. (2007). Effects of Soft Drink Consumption on Nutrition and Health: A Systematic Review and Meta-Analysis. *American Journal of Public Health* 97(4), 667-675. Doi: 10.2105/AJPH.2005.083782
- <sup>31</sup> Chen, L., Appel, L.J., Loria, C., Lin, P., Champagne, C.M., Elmer, P.J., ... & Caballero, B. (2009). Reduction in consumption of sugar-sweetened beverages is associated with weight loss: the PREMIER trial. *The American Journal of Clinical Nutrition* 89(5), 1299—1306. Doi: 10.3945/ajcn.2008.27240

<sup>32</sup> The calculation utilised Colagiuri et al's (2010) estimate of \$714 for the annual direct healthcare costs in 2004-05 for an obese person over normal weight range, and PwC's (2015) estimate of 33% of the population by 2025 being in the obese weight range. The Australian Institute of Health and Welfare's Health Cost index was used to convert 2004-05 costs into 2025-26 dollars: Table 39a: Total health price index and industry-wide indexes, 2012–13 to 2022–23 (reference year 2022–23 = 100). Retrieved 02/02/2021 from: <https://www.aihw.gov.au/reports/health-welfare-expenditure/health-expenditure-australia-2022-23/data> . The calculation was: cost in year T = adults in Australian population at time T \* share of the adult population at time T that is obese \* direct cost per obese person at time T (indexed from 2004-05).

<sup>33</sup> This is a conservative assumption based on reported market trends in IBISWorld (2023). *Soft Drink Manufacturing in Australia*.

<sup>34</sup> Reserve Bank of Australia (2024). *Statement on Monetary Policy: Economic Outlook November 2023*. Retrieved 5/12/2024 from: <https://www.rba.gov.au/publications/smp/2024/nov/outlook.html>

<sup>35</sup> Australian Bureau of Statistics (2023). *Consumer Price Index, Australia: Series A3604418F - Non-alcoholic beverages. September Quarter 2024*. Retrieved 5/12/2024 from: <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>





AUSTRALIAN MEDICAL ASSOCIATION

T | 61 2 6270 5400 F | 61 2 6270 5499 E | [info@ama.com.au](mailto:info@ama.com.au)

39 Brisbane Avenue Barton ACT 2600 | PO Box 6090, Kingston ACT 2604

[www.ama.com.au](http://www.ama.com.au)