

# MEDIA RELEASE

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## Sugar tax needed to tackle Australia's worsening obesity crisis

Australia must introduce a tax on sugar-sweetened beverages to curb the nation's escalating obesity crisis, which is driving preventable illness and placing growing pressure on the health system.

The Australian Medical Association's [2026–27 Pre-Budget Submission](#) proposes practical, cost-effective health reforms, with a sugar-sweetened beverage tax identified as one of the most impactful preventative measures available to government.

Obesity has now overtaken tobacco as the leading risk factor for disease burden in Australia.

Frequent consumption of sugary drinks is associated with a range of health problems, including poor dental health and obesity — a major risk factor for chronic diseases such as type 2 diabetes, heart disease, stroke, and cancer.

AMA President Dr Danielle McMullen said a sugar-sweetened beverage tax is a common-sense measure backed by extensive international evidence.

"More than 130 jurisdictions around the world have introduced a tax on sugar-sweetened beverages and seen clear reductions in sugar consumption," Dr McMullen said.

"Australia is now an outlier, and we can't keep putting this off while preventable disease keeps climbing. A sugar-sweetened beverage tax is simple, effective and long overdue."

The AMA is calling for a tax on selected sugar-sweetened beverages at a rate of 50c per 100g of sugar, which would raise the price of an average 375ml can of soft drink by about 20c, encourage healthier choices and create a strong incentive for manufacturers to reduce sugar content.

Australians consume more than 2.4 billion litres of sugary drinks every year — enough to fill 960 Olympic-sized swimming pools. Modelling shows a sugar-sweetened beverage tax would reduce annual sugar consumption by about 2kg per person, raise about \$3.6 billion over four years, and drive product reformulation as manufacturers adjust their recipes to avoid the tax.

Dr McMullen said Australia cannot continue relying on an overstretched health system to absorb the consequences of preventable disease when simple, evidence-based measures exist that reduce harm and long-term demand.

"We can't keep pretending the health system can absorb all the consequences of preventable disease — it can't," Dr McMullen said. "This is a straightforward, evidence-based policy that improves health outcomes and delivers significant budget savings. If we're serious about a sustainable health system, we must take prevention seriously."

The AMA says the upcoming federal budget is an opportunity for the government to show leadership and adopt proven measures that reduce preventable disease and ease pressure on hospitals and primary care.

"It's hard to argue against a measure that improves health, saves money, and is already working overseas," Dr McMullen said. "We can't keep kicking this can down the road — especially when that can contains about 12 teaspoons of sugar."

[Read the AMA's 2026–27 Pre-Budget Submission](#)

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