

MEDIA RELEASE

Sydney, January 20, 2023

NON-ALCOHOLIC DRINKS INDUSTRY RESPONDS TO CALL FOR A SUGAR TAX

The Australian Beverages Council (ABCL), representing the nation's non-alcoholic drinks industry, has responded to the recent call from the Australian Medical Association promoting a tax on Australian consumers and local businesses which manufacture sugar-sweetened beverages.

"Diet-related disease is complex and caused by many factors, and all sectors of the shopping trolley must play their part in helping Australians make healthier choices. That's why in 2018 the nation's largest non-alcoholic drink companies announced Australia's first Sugar Reduction Pledge – a commitment, which has recently grown, to reduce sugar across their portfolios by 25% from 2015 to 2025. As at the end of 2021, pledgees have cut sugar content by more than 16%. This significant progress is bringing speed and scale to a 20-year long consumer trend away from regular sugar drinks in favour of low and no sugar varieties, showing an industry that is responding with pace to consumers' desire for more choice in the drinks aisle of supermarkets or the convenience store fridge" said Geoff Parker, CEO of the Australian Beverages Council.

"This sugar reduction is being driven by a range of initiatives, including reformulation, smaller pack sizes, and investing in a greater variety of low and no sugar products to meet growing consumer demand."

"The 2022 Sugar Reduction Pledge report found that for the first time in Australia, no and low sugar options account for half of all sales, up from 47% on the previous year. This reinforces previously published research on more than two decades of drink consumption in Australia which revealed a long-term shift in Australians' non-alcoholic drink choices over the period, including that Australians now drink almost five times more bottled water than they did two decades ago. Coupled with this, the Australian Bureau of Statistics' latest data shows that full sugar soft drink consumption accounts for less than 15% of free sugar intake; and that plain bottled water consumption continues to rise - a 12% increase over the recent 12-month reporting period."

"These corroborate the results of the two previous Australian Health Surveys (1995 & 2011-12) which showed significant decreases in people consuming sugar-sweetened drinks in favour of drinks with no and low sugar including water."

"The Sugar Reduction Pledge is an Australian first that's having a positive impact in households and communities nationwide. The pledge demonstrates that the non-alcoholic drinks industry is willing to play its part to work constructively with policy makers on effective, non-inflationary measures which will encourage consumers to make healthier choices. Change in consumer behaviour is more lasting when individuals are provided with broader and informed choices through more no and low sugar drink options."

"All the evidence demonstrates that each year people are already drinking less sugar-sweetened beverages. This is happening without a sugar tax which risks increasing the cost of the weekly shop and placing more pressure on households grappling with the soaring cost of living."

"The UK and other countries have found beverages taxes have not lowered obesity levels. The UK's sugar tax has made a difference of only 3 calories per person per day. Hardly the magic pill to solve the complex problem that is obesity."

“A University of Cambridge-led study found no reduction in weekly household purchases of sugar sweetened beverages, with consumers seeking out cheaper, non-taxed beverages. The study also identified a key outcome of the sugar tax being a 10% reduction in the sugar content in taxed drinks – an outcome already vastly exceeded in Australia by ABCL’s Sugar Reduction Pledge.”

“In 2023 we need innovative, real-world evidence-based solutions to address lifestyle health challenges rather than slapping another tax on the weekly shop of Australians. The drinks industry urges other categories in the shopping trolley to make their own commitments and play their part in helping people choose healthier options,” said Parker.

ABOUT: The Australian Beverages Council Ltd is the peak body representing the non-alcoholic beverage industry. Our Membership comprises of micro, small, medium-sized and large companies. Collectively these companies produce over 95% of the industry’s volume. Our members make a substantial \$7+ billion contribution to the Australian economy each year, and nationally employ over 46,000FTEs. Every one job in the industry supports 4.9 jobs in the supply chain.

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