

An open letter to Cabinet Ministers from 74 health professors calling for a sugary drinks tax

2 April 2016

In this Public Health Expert blog, we reproduce a letter that appeared in the NZ Herald on 2 April 2016. Professors Boyd Swinburn, Rod Jackson, and Cliona Ni Mhurchu led the writing.

Dear Cabinet Ministers,

We are very concerned by New Zealand's appallingly high rate of childhood obesity, the fourth highest in the world. In addition, every year more than 5000 children under 8 years old require general anaesthetic operations to remove rotten teeth (1). We applaud the government for making childhood obesity a national health priority, however, its action plan of 22 'soft' strategies, which was launched last year with no extra funding, is not sufficient to change current trends. We urge you to implement a significant tax on sugary drinks as a core component of strengthened strategies to reduce childhood obesity and dental caries.

Multiple authoritative bodies world-wide have reviewed the available evidence on sugary drinks taxes (see Annex 1, after signatures). They have concluded that such taxes are likely to be one of the most cost-effective interventions available and have recommended that they should be part of a comprehensive approach to reduce childhood obesity. The recent WHO Commission on Ending Childhood Obesity, co-chaired by Sir Peter Gluckman, the Prime Minister's Chief Science Advisor, recommended a tax on sugary drinks as its number 2 recommendation. Health Minister, Jonathan Coleman, will vote to endorse the Commission's recommendations at the World Health Assembly this month. After the Minister says 'yes' to the WHO Commission's report in front of world health ministers in Geneva, it would be opportune and show great leadership to return and say 'yes' to one of its main recommendations in front of New Zealand children, adolescents and their parents.

The sugary drinks companies, speaking through the Food and Grocery Council, are behaving exactly like the tobacco industry when faced with the prospect of effective policies aimed at reducing the consumption of their products. The arguments, which the industry lobby group repeats, aim to create doubt in the public's mind and spook politicians into inaction. Fortunately, the public are not so easily confused and there is majority support for a sugary drinks tax (over 80% in Herald Poll last week). Cabinet Ministers should not allow industry tactics to frighten them off implementing cost-effective policies that could change current trends and help to create a legacy of declining obesity, diabetes and dental caries. The industry arguments are as readily refuted for sugary drinks as they were for tobacco (see Annex 2, after signatures).

Dr Coleman has rightly <u>said</u> on many occasions that there are no magic bullets for reducing childhood obesity. His statements mean that it is <u>an untenable argument</u> to wait for magic bullet evidence before acting. Indeed, the evidence supporting sugary drinks taxes is stronger than the evidence for any of the 22 strategies in the government's existing plan. In addition, a sugary drinks tax would be expected to raise <u>\$30-\$40 million</u> which could be used to boost funding for obesity prevention programs.

Recently, the UK Cabinet, backed by a thorough <u>evidence review</u> and a commitment to serious action on childhood obesity, added the UK to the list of <u>seventeen countries</u> which now have sugary drinks taxes.

As a matter of urgency, we urge Cabinet to strengthen its plans to reduce childhood obesity and dental caries by introducing a 20% excise tax on sugary drinks in the forthcoming budget. The evidence, health professionals, and the public strongly support this measure, and current and future generations of New Zealand children will be the beneficiaries of this legacy.

Signed by the following health professors:

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Epidemiology, Wayne Francis Cancer Epidemiology Research Group,
University of Canterbury
Paediatrics, School of Medicine, University of Otago, Dunedin
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Population nutrition, School of Population Health, University of Auckland
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Nicholas Chandler	Endodontics, Department of Oral Rehabilitation, University of Otago, Dunedin
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Annex 1: Examples of authoritative bodies which have reviewed the evidence and recommend fiscal policies such as sugary drinks taxes

World Health Organization Commission on Ending Childhood Obesity, 2016

Public Health England, 2015

Lancet Obesity Series, 2015

British Medical Association, 2015

World Cancer Research Fund International, 2015

Organisation for Economic Co-operation and Development (OECD), 2014

New Zealand Medical Association, 2014

McKinsey Global Institute, 2014

Credit Suisse, 2013

<u>Childhood Obesity Foundation</u> (includes American Medical Association, American Academy of Pediatrics, American Public Health Association, and Oral Health America), 2012

Annex 2: Standard industry arguments about tax and responses

1. Taxes won't change people's habits

Taxes certainly change the consumption of tobacco and alcohol and evidence from <u>over 50</u> studies in the published literature suggests the same is true for targeted sugary drinks taxes.

2. Education is a more effective way to change behaviour than taxes

Education is necessary as part of a comprehensive program to improve diet but by itself has only very small effects.

3. No single food is responsible for the obesity epidemic

True, but that is not an argument against trying to reduce consumption of those products, like sugary drinks, which have no nutritional benefits and directly contribute to obesity, diabetes and dental caries.

4. The food industry can contribute to solutions through voluntary measures

This is possible for measures which do not conflict with the profit-making requirements of business, such as selling more diet products, but for 'sell less' measures, taxes and regulations are needed.

5. A sugary drinks tax is not broadly supported

False. The list of authoritative bodies recommending sugary drinks taxes is very long and the majority of the New Zealand public support a sugary drinks tax with funding directed to childhood obesity prevention programs.

6. A sugary drinks tax is regressive and penalises people on low incomes

This is only true for those who do not reduce their consumption. Since people on lower incomes consume more sugary drinks and reduce consumption more in response to a price rise, they get proportionally greater health benefits, and may even spend less in total on sugary drinks.

7. A sugary drinks tax is complex and expensive to administer

Eighteen countries have sugary drinks taxes in place already they can be relatively simple and are actually cost-saving to implement because of reduced health care costs.

8. A sugary drinks tax would harm business and cost jobs

They would only potentially harm the sugary drinks businesses and since that is a lowemployment industry, new employment related to other foods would create a net increase in jobs.

9. A rising tax take proves a sugary drinks tax is not reducing consumption

False. When a new tax is put in place, tax revenue will increase even with marked reductions in consumption, even allowing for GST (under plausible scenarios).

10. An excise tax is treated like a normal business costs and is spread over all company products creating no price differential signal for sugary drinks

The evidence from sugary drinks taxes which have been implemented is that the full amount of the tax tends to be <u>passed through</u> onto the retail price of sugary drinks, though it is possible for companies to undermine the public health intent of the tax by spreading it across all its products. Careful design and implementation of the tax is needed.

(1) In total, about <u>35,000 children and 275,000 adults</u> have rotten teeth extracted every year under general or local anaesthetic.

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