

# 'Fat taxes' could save billions in healthcare costs: study

14 February 2017



Credit: Maliz Ong

Taxing unhealthy foods that contain salt, sugar and fat could save Australia billions in health care costs and extend people's lives by coaxing them to eat better, researchers said Tuesday.

The study in the journal *PLOS Medicine* modeled the impact of raising prices on certain foods, and assumed that costlier snacks and comfort foods would lead to changes in consumer behavior.

Such taxes could save Australia AUD\$3.4 billion (USD\$2.3 billion) "over the remaining lifetimes of all Australians alive in 2010," said the study, led by Linda Cobiac of the University of Melbourne.

A number of other Western countries have already implemented or proposed taxes on unhealthy foods and drinks in a bid to curb the obesity epidemic.

The study modeled the effect of taxing saturated fat, salt, sugar, and sugar-sweetened beverages in Australia, as well as the impact from subsidizing fruits and vegetables.

The most significant gains could be achieved by

taxing sugar, which the study said could avert 270,000 disability-adjusted life years (DALYs)—or years of healthy lifespan lost due to disease.

"That is a gain of 1.2 years of healthy life for every 100 Australians alive in 2010," said the study.

"Few other public health interventions could deliver such health gains on average across the whole population."

The second-greatest impact was seen in a salt tax, followed by a saturated-fat tax and a sugar-sweetened beverage tax.

Adding subsidies for fruits and vegetables "reduced health sector spending, but on their own were not estimated to lead to a clear health benefit," said the study.

The taxes and subsidies were limited to allow for less than a one percent change in total food spending for the average household.

Researchers cautioned that they attempted to simulate consumer behavior in various hypothetical circumstances, leaving room for uncertainty.

"For example, we are reliant on other research estimating the responsiveness of the public to changes in food prices. There are also implementation issues for the food industry," said the study.

"Nevertheless, this study adds to the growing evidence of large health benefits and cost-effectiveness of using taxes and regulatory measures to influence the consumption of healthy foods."

**More information:** Cobiac LJ, Tam K, Veerman L, Blakely T (2017) Taxes and Subsidies for Improving Diet and Population Health in Australia: A Cost-Effectiveness Modelling Study. *PLoS Med*

14(2): e1002232. [DOI:](#)  
[10.1371/journal.pmed.1002232](https://doi.org/10.1371/journal.pmed.1002232)

© 2017 AFP

APA citation: 'Fat taxes' could save billions in healthcare costs: study (2017, February 14) retrieved 26 May 2022 from <https://medicalxpress.com/news/2017-02-sugar-salt-fat-taxes-billions.html>

*This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.*