

OpenVoiceNews Australia

Transparent. Unbiased. Yours.

Australian Medical Association Pushes Sugar Tax Despite Government Opposition

July 16, 2025

— Categories: General News



The Australian Medical Association (AMA) has renewed its call for a sugar tax on sweetened drinks to tackle the growing health crisis of obesity and Type 2 diabetes. While the proposal is gaining traction among some in the health and policy sectors, the current government has stated clearly it will not be supporting such a levy. The debate underscores growing concern over the nation's health and whether punitive taxes are the answer.

The AMA's proposal would place a tax of 50 cents per 100 grams of added sugar in beverages such as soft drinks, sweetened juices, and cordials. For context, a 375mL can of

Coca-Cola containing nearly 40 grams of sugar would be taxed around 20 cents. A 600mL bottle of Powerade, which has close to 35 grams of sugar, would face a levy of nearly 18 cents. The tax would be applied to manufacturers, with the likely effect of driving prices up for consumers.

Macarthur Member of Parliament (MP) Michael Freeland, a Labor representative and practicing pediatrician, has supported the idea, calling it a necessary step in reducing sugar consumption. Freeland argues that the tax, combined with public education campaigns and town planning reforms to promote healthier lifestyles, could slow the alarming rise in preventable diseases.

“We’re now seeing children with obesity and Type 2 diabetes,” said Freeland, stressing that access to highly processed foods plays a central role in these health issues. He added that it’s not only about sugary drinks but also about changing how Australians think about diet and nutrition.

The Parliamentary Budget Office (PBO) projected in 2024 that a 20% tax on sugar-sweetened beverages could generate over \$1.3 billion in just two years. AMA Vice President Dr. Julian Rait claimed such a measure could reduce sugar consumption by up to 2 kilograms per person and create long-term savings of \$3.6 billion, which could be redirected to other preventative health efforts.

Despite these projections and endorsements, the current federal government under Prime Minister Anthony Albanese has dismissed any plans to implement a sugar tax. Health Minister Mark Butler reiterated in May that the administration would focus instead on clearer front-of-package nutrition labels and cooperative efforts with food producers to lower sugar content voluntarily.

“There is no plan in our government for a sugar tax,” Butler confirmed. “We’re instead focusing on education and also working with food manufacturers to reduce the amount of sugar that they put into their products.”

This decision aligns with a broader pattern seen in the current administration: shying away from market-based discipline in favor of government-mediated solutions. Critics argue that this hands-off approach may not deliver results quickly enough, especially as diet-related illnesses continue to rise.

Dr. Rait countered that public education alone would not move the needle. “Reducing sugar intake through swaps like drinking water instead of soft drinks can make a profound difference to long-term health,” he told *news.com.au*. He pointed out that despite industry promises, sugar levels in some drinks have continued to rise. Fanta, for instance, saw a 60% increase in sugar content in the past year.

Whether the AMA’s proposal will gain further political traction remains uncertain. But what’s clear is that the issue of diet-related disease is not going away, and with growing costs to the healthcare system, calls for stronger action are unlikely to fade. As usual, the challenge remains whether to rely on voluntary reform, government guidance, or economic pressure to bring about real change.