

3 November 2016



The Hon S. Farlow
Chair
Standing Committee on Social Issues
Inquiry into Childhood Overweight and Obesity
Parliament House
Macquarie Street
SYDNEY NSW 2000

Via email: Committee.SocialIssues@parliament.nsw.gov.au

Dear Chair,

Reply to Question on Notice

On behalf of the Australian Beverages Council, thank you to the Committee for the opportunity to contribute to the deliberations of the Inquiry into Childhood Overweight and Obesity.

During the provision of evidence, we were asked by you if there was any anecdotal evidence that with the introduction of the GST in 2000, and the removal of the excise on soft drinks, had there been an increase or decrease in the sale of carbonated beverages on that reduction. Specifically, the transcript of the question from you as Chair is as follows:

The CHAIR: We heard evidence earlier today that prior to the introduction of the GST there was a 30 per cent wholesale sales tax on sugar-sweetened beverages, soft drinks in particular, which was reduced by the introduction of the GST. I asked that witness whether there was any evidence of either an increase or decrease in the sale of carbonated beverages on that reduction. The witness did not have that information but suggested that somebody on this panel might be able to provide the Committee with that evidence. **Do you have that information, even anecdotally?**

In reply to that Question On Notice, we offer the following response.

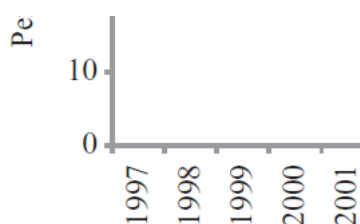
In 2013, the Beverages Council commissioned research that looked at the sales of water-based beverages over a 15 year period from 1997 to 2011. The peer-reviewed paper – *Quenching Australia's thirst: A trend analysis of water-based beverage sales from 1997 to 2011*, was published in Nutrition & Dietetics in late 2014, and is attached for the Committee's reference.

That research showed that over the period, there was a fundamental shift away from regular kilojoule variety water-based beverages in favour of low and no kilojoule varieties. Overall, sales of non-alcoholic, water-based beverages grew at a rate of 1.7% per annum, driven largely by sales of non-sugar varieties (4.9% per annum) with a smaller contribution from sugar-sweetened beverages (0.3% per annum). Accounting for increases in population growth, **sales of sugar-sweetened carbonated soft drinks fell over 15 years at a rate of 0.7% per annum, with a drop in volume share of 18%.** This

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is graphically represented in the below chart, which can be found on page 4 of the Attached paper. The overall result of these trends was a 26% reduction in sugar contribution per person from carbonated soft drinks.



We trust this response satisfies the Committee's question on the issue.

If the Committee requires any additional information on this response, or has any supplementary questions, please contact this office on the listed number of via info@ausbev.org.

Yours sincerely,

Geoff Parker
Chief Executive Officer

