

133 Molesworth Street
PO Box 5013
Wellington 6140
New Zealand
T+64 4 496 2000

16 August 2023

s 9(2)(a)

By email: [REDACTED]
Ref: H2023027828

Tēnā koe [REDACTED]

Response to your request for official information

Thank you for your request under the Official Information Act 1982 (the Act) to Manatū Hauora (the Ministry of Health) on 26 June 2023. You requested:

“Briefings that the Ministry has sent to the Minister and her new associates since the portfolio reallocations in March 2023 related to food environments, obesity, nutrition and alcohol.”

I have identified nine documents within scope of your request. All documents are itemised in Appendix 1 and copies of the documents are enclosed. Where information is withheld under section 9 of the Act, I have considered the countervailing public interest in releasing information and consider that it does not outweigh the need to withhold at this time.

Please note, in relation to document 2 Dr Beaglehole attended the meeting as the NZDA Spokesperson on CWF and Sugary Drinks only.

I trust this information fulfils your request. If you wish to discuss any aspect of your request with us, including this decision, please feel free to contact the OIA Services Team on: oiagr@health.govt.nz.

Under section 28(3) of the Act, you have the right to ask the Ombudsman to review any decisions made under this request. The Ombudsman may be contacted by email at: info@ombudsman.parliament.nz or by calling 0800 802 602.

Please note that this response, with your personal details removed, may be published on the Manatū Hauora website at: www.health.govt.nz/about-ministry/information-releases/responses-official-information-act-requests.

Nāku noa, nā

A handwritten signature in black ink, appearing to be 'A. Old', written in a cursive style.

Dr Andrew Old
Deputy Director-General
Public Health Agency | Te Pou Hauora Tūmatanui

Appendix 1: List of documents for release

#	Date	Document details	Decision on release
1	5 April 2023	Briefing H2023021732 Action to improve active food environments	Some information withheld under the following sections of the Act: <ul style="list-style-type: none"> 9(2)(a) to protect the privacy of natural persons; and 9(2)(f)(iv) to maintain the constitutional conventions that protect the confidentiality of advice tendered by Ministers and officials.
2	18 May 2023	Aide Memoire H2023023369 Meeting with the New Zealand Dental Association 1 June 2023	Some information withheld under section 9(2)(a) of the Act. Information deemed out of scope has also been removed.
3	22 May 2023	Excerpt from: Briefing HR2023025438 Current work programme of the Public Health Agency	Excerpt taken in accordance with section 16(e) of the Act.
4	15 June 2023	Aide Memoire H2023025487 Meeting with Health Coalition Aotearoa	Some information withheld under the following sections of the Act: <ul style="list-style-type: none"> 9(2)(a); and 9(2)(f)(iv).
5	16 June 2023	Briefing H2023024978 2023 Obesity Work Programme (from prevention to treatment)	9(2)(a)
6		Briefing H2023024978 Appendix 1: International comparison of government-led reformulation targets	Released in full.
7		Briefing H2023024978 Appendix 2: Current initiatives relevant to obesity prevention and treatment	Some information withheld under section 9(2)(f)(iv) of the Act.
8	22 March 2023	Briefing H2023021815 Setting the aggregate expenditure figure for 2023-2024 levies for alcohol-related purposes	Some information withheld under the following sections of the Act: <ul style="list-style-type: none"> 9(2)(a)

#	Date	Document details	Decision on release
			<ul style="list-style-type: none"> • 9(2)(f)(iv) to maintain the constitutional conventions that protect the confidentiality of advice tendered by Ministers and officials • 9(2)(g)(i) to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers and officers and employees of any public service agency; and • 9(2)(j) to enable a Minister or any public service agency to carry on negotiations without prejudice or disadvantage (including commercial and industrial negotiations).
9	5 April 2023	Briefing H2023021815 Determining the 2023-2024 levies for alcohol-related purposes	Some information withheld under section 9(2)(a) of the Act.

Briefing

Action to improve food and active environments

Date due to MO:	5 April 2023	Action required by:	N/A
Security level:	IN CONFIDENCE	Health Report number:	H2023021732
To:	Hon Barbara Edmonds, Associate Minister of Health		
Copy to:	Hon Dr Ayesha Verrall, Minister of Health		
Consulted:	Health New Zealand: <input checked="" type="checkbox"/> Māori Health Authority: <input checked="" type="checkbox"/>		

Contact for telephone discussion

Name	Position	Telephone
Dr Andrew Old	Deputy Director General, Public Health Agency	s 9(2)(a)
Jane Chambers	Group Manager, Policy and Regulation, Public Health Agency	

Minister's office to complete:

- | | | |
|---|------------------------------------|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Decline | <input type="checkbox"/> Noted |
| <input type="checkbox"/> Needs change | <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn | |

Comment:

Action to improve food and active environments

Security level: IN CONFIDENCE **Date:** 5 April 2023

To: Hon Barbara Edmonds, Associate Minister of Health

Purpose

1. At the request of the Minister, this report outlines the range of regulatory and non-regulatory options available to improve food and active environments. This report discloses all relevant information and implications.

Summary

2. Strong action is required to address the significant and inequitable impacts of inadequate nutrition, inactivity and obesity. Stronger regulation, cross-agency action, community action and improved monitoring are required to help create healthy food and active environments.
3. Manatū Hauora (the Ministry of Health) is working with Te Whatu Ora and Te Aka Whai Ora on a coordinated, multi-agency approach to improving food and active environments.
4. This paper seeks your views on the following potential areas for the Public Health Agency (PHA), Manatū Hauora, to progress:
 - fiscal measures to reduce the affordability of unhealthy food options and increase the affordability of healthy options
 - opportunities to reduce salt and sugar consumption through reformulation and portion-size limits
 - stronger restrictions on marketing and advertising of unhealthy foods, with a focus on children and young people, and in-store promotions
 - supporting local food production, through Kaupapa Māori and Pacific-led initiatives
 - strengthened cross-agency and cross-ministerial action
 - strengthened monitoring, with a focus on equity.
5. These areas have been selected for their likely impact, including on closing the equity gap.

Recommendations

We recommend you:

- a) Agree to receive more detailed policy advice on the following:
 - (i) Fiscal measures to increase the price of unhealthy foods and reduce the cost of healthy foods. **Yes/No**

Document 1

- (ii) Opportunities to reduce salt and sugar consumption through reformulation and portion-size limits. **Yes/No**
- (iii) Opportunities to restrict the marketing and advertising of unhealthy foods, with a focus on children and young people and in-store promotions. **Yes/No**
- (iv) Opportunities to support local food production, particularly through Kaupapa Māori and Pacific-led initiatives. **Yes/No**
- (v) Mechanisms for strengthening cross-agency and cross-ministerial action on food and active environments, aligned with government priority areas. **Yes/No**
- (vi) Any other areas included in Appendix 3. **Yes/No**
- b) Note that progressing a national nutrition survey will require additional funding. **Noted**
- c) Agree that the PHA should work closely with SportNZ on opportunities for cross-agency work on active transport and environments, to be included in the upcoming Cabinet paper on the cross-agency Physical Activity and Play plan. **Yes/No**



Dr Andrew Old
Deputy Deputy-General of Health
Te Pou Hauora Tūmatanu

Date: 5/4/23

Minister Barbara Edmonds
Associate Minister of Health

Date:

Action to improve food and active environments

Background

1. Our social, economic and physical environments make it hard for communities to lead healthy lives. Māori, Pacific, people with disabilities, and people living in the most deprived neighbourhoods are disproportionately impacted by unhealthy environments and face additional barriers to maintaining a healthy diet and staying physically active.
2. Communities are struggling to access affordable, healthy foods, with almost a third of Māori and Pacific children living in a food insecure household, see Appendix 1. Children and young people, and their caregivers, are actively targeted by food and beverage companies and are growing up surrounded by unhealthy food options. Opportunities for physical activity are also limited by a lack of local infrastructure, cost-barriers, and safety concerns.
3. There is growing international evidence on how to improve food and active environments. A suite of interventions is required, including both regulatory and non-regulatory approaches. While there are many promising initiatives in Aotearoa New Zealand, we are falling behind other countries internationally in taking strong action in this space, see Appendix 2.
4. The PHA in its system stewardship role has established a cross-health system Steering Group on Healthy Food Environments. The Steering Group aims to support collaborative and collective action on healthy food environments¹ across the health system, through a shared strategic direction and work programme.
5. Te Whatu Ora (Health NZ) and Te Aka Whai Ora (Māori Health Authority) play an important role in improving food and active environments, for example, through policy implementation and supporting community action. Te Aho o Te Kahu (Cancer Control Agency) has an interest in the role environments play in cancer prevention. These agencies have contributed to the development of this advice.
6. The newly established Public Health Advisory Committee (PHAC) is looking at how New Zealand's food systems can be improved to support better health and wellbeing, reporting back in January 2024.
6. SportNZ Ihi Aotearoa is in the process of developing a cross-agency Physical Activity and Play plan. The plan outlines 13 focus areas to increase physical activity and play for those who are least active. This work is being led by the Minister of Sport and Recreation, Hon Robertson, with a Cabinet paper expected to go to the Social Wellbeing Committee in May 2023.

¹ Food environments are defined as the collective physical, economic, policy, legislative and socio-cultural surroundings, opportunities and conditions that influence people's food and drink intake and nutritional status.

Opportunities

7. Appendix 3 provides a summary of opportunities to improve food and active environments. This includes actions which sit outside of health as well as those that sit across the health system, for example, strengthening community-led action.
8. All population health interventions have the potential to instigate, increase or reduce inequities and inequalities. Appendix 3 summaries some of the most recent evidence base in terms of equity impacts of policy interventions to improve diets and active lifestyles. Note, however, that there are significant gaps in the evidence base and areas where the available evidence is contradictory. Whatever the intervention, how it is implemented matters. Unless a policy preferentially benefits Māori and Pacific people, inequities will be maintained or widened.
9. This Health Report focuses primarily on opportunities for the PHA to support government-led action on food and active environments. Stronger regulation will change environmental default settings and make it easier for people to make healthier choices. Stronger regulation is needed to address significant health inequities.

Stronger Regulation

10. **Fiscal measures** –Vegetables and fruit and other core foods are unaffordable for many families, while unhealthy foods and drinks are often heavily discounted. This underlying trend is exacerbated by the post-COVID increase in inflation, as well as recent weather events which have created an additional, substantial risk to food security – in terms of both access and price.
11. There is growing international evidence on the impact of different fiscal measures to reduce the affordability of unhealthy food options (eg, a sugar sweetened beverages levy) and to increase the affordability of healthy options (eg, removing tax on vegetables and fruit). The impacts include the effect on demand for unhealthy vs healthy products, the impact on equity of access to healthy products, and the ultimate impact on population-level health gains.
12. International evidence about fiscal measures has to be carefully interpreted when considering application to New Zealand, since the New Zealand tax system has no pass-through mechanism from a change in tax to a change in the price of specific goods². This affects the relative benefits of, for example, a new excise tax versus incentives for suppliers to reformulate products.
13. More detailed information on the likely health and equity impact of different fiscal measures can be provided, as well as information on technical feasibility, implementation and levels of public support.
14. **Reformulation** – There is excess salt and sugar in New Zealand's food supply. Reformulation can help reduce population intakes of these nutrients by improving access to healthier food products. The largest improvements will be seen by targeting ultra-processed foods, often over-consumed by children and young people, and communities experiencing food insecurity.

² For example, GST is based on a business's total revenue not on the revenue associated with a particular product. So, removing GST off vegetables and fruits would not result in a direct decrease in price.

15. New Zealand has voluntary reformulation targets, developed and monitored by the Heart Foundation and funded by Te Whatu Ora. However, research suggests the targets are set too low, and cover a limited range of foods. Overall, there has been little positive change in the sodium and sugar content of New Zealand foods over time.
16. Internationally, government-led reformulation targets have been developed for sodium, sugar and saturated fat to encourage reformulation across key food categories.
17. Stronger regulation of fast-foods through setting compositional limits or portion size limits would also support a reduction in the consumption of salt and sugar.
18. The PHA could work with the Ministry for Primary Industries (MPI) to provide more detailed advice on opportunities to reduce salt and sugar consumption, with a focus on equity, through reformulation and portion-size limits.
19. **Marketing and advertising** – Advertising high fat, salt and sugary foods to children is widespread, with children in one New Zealand study seeing around 27 advertisements for unhealthy foods and drinks per day. Children living in the most deprived communities are exposed to a greater number of advertisements due to higher fast-food outlet density in these communities.
20. The Advertising Standards Code and the Children and Young People Advertising Code (CYPAC), enforced by the Advertising Standards Authority (ASA), are self-regulated by industry. Voluntary codes are not effective at protecting children and young people from the marketing of unhealthy products. The CYPAC has limitations around scope, processes (including timeliness of complaint assessment), enforcement and effectiveness. Stronger regulation could improve how children and young people are protected from marketing and advertising, including from newer forms of digital marketing. The CYPAC is currently under review by the ASA.
21. In relation to non-broadcast media marketing, there are opportunities to build on work underway looking at restricting the promotion of alcohol and gambling through sports sponsorship. Previous work with the Commerce Commission has also identified opportunities to restrict unhealthy food promotions in supermarkets, for example, through restrictions on multi-buy deals.
22. The PHA could work with other government departments to provide more detailed advice on opportunities to restrict the marketing and advertising of unhealthy foods, with a focus on children and young people, and in-store promotions.

Cross-agency and cross-ministerial action

23. Improving food and active environments is complicated as responsibility for different aspects of the system sit across different government departments or agencies, or within trans-Tasman agreements. Ensuring health is a key consideration in all decisions that impact the food and active environment would help to ensure unintended consequences are avoided.
24. Action on food and active environments can also support wider government priority areas including climate change mitigation, child wellbeing and reducing cost of living pressures. Cyclone recovery efforts could be supported by investing in local food production, targeted to recovery areas eg, māra kai / community gardens.
25. Strengthened cross-ministerial and cross-agency collaboration and leadership on food and active environments is needed. Appendices 4 and 5 provide a summary of the lead ministers

and departments for different aspects of the food and active environment across-government and across the health system. SportNZ and the Ministry for Primary Industries have had input into this paper, but wider, formal consultation would be undertaken before we provided you with more detailed policy advice.

26. The PHA could work with partner agencies to identify and propose mechanisms for strengthening health's input into cross-agency action on food and active environments. For example, the Cabinet paper on the Physical Activity and Play plan could provide a mechanism to strengthen cross-agency work in relation to active transport and environments.

Strengthened monitoring

27. Ongoing monitoring and surveillance need to be in place to guide and evaluate the impact of actions to strengthen food environments. This includes having a good understanding of inequities in access to adequate nutrition, especially in children. Detailed New Zealand specific food intake data haven't been collected in over a decade for adults and two decades for children.
28. A national nutrition survey is the most effective way of ensuring comprehensive monitoring can occur. This should be tailored towards understanding Māori and Pacific nutrition needs, through culturally responsive methods and a sufficiently large sample size to allow equity-specific analysis.
29. In 2021 to 2023, the Ministry commissioned development of a national nutrition survey tool at a cost of \$1 million and overseen by a Māori advisory group. Funding is required to undertake a rolling national nutrition survey, s 9(2)(f)(iv)

s 9(2)(f)(iv)

Equity

30. Inequitable rates of obesity, driven by unhealthy food and active environments are one of the most important causes of health inequities for Māori, Pacific, people with disabilities and people living in the most deprived neighbourhoods.
31. The recommended areas for further development have been chosen based on their likely impact on equity. However, as part of any further work we would refine our estimates of equity impact and test approaches with communities to ensure we focus our efforts where we will make the greatest impact for our priority groups.
32. Increasingly, Māori are developing approaches and activities towards environmental sustainability and food production, guided by mātauranga Māori. This includes initiatives to build Māori food sovereignty through māra kai and Kaupapa Māori agriculture and horticulture.
33. The PHA is undertaking an environmental scan to better understand existing Kaupapa Māori initiatives and to identify opportunities for future collaboration with organisations like Te Puni Kōkiri (Ministry of Māori Development). Similar work is also underway working with Pacific organisations. These insights will be incorporated into any future advice.

Next steps

34. The PHA will provide you with more detailed policy advice on any areas you would like to progress. This will include guidance on scope, timelines, process and consultation approach.

Minister's Notes

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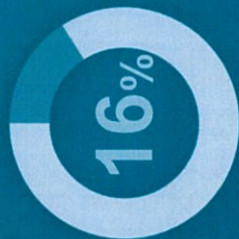
What is driving inequities in obesity and related long-term conditions?

Document 1

Socio-economic deprivation and psychosocial stress



Māori and Pacific peoples are considerably more likely to live in socioeconomic deprivation



of people who live in the most deprived communities experience high or very high levels of psychosocial distress, compared with 9% in the least deprived

36%

of Pacific children live in a food insecure household compared 27% of Māori and 14% of European/other children

Environments that actively encourage inactivity and excess consumption



There are 3 times as many fast-food outlets and convenience stores per 10,000 people in the most deprived communities versus the least deprived



Children are exposed to an average of 27 unhealthy food adverts a day

↑ 23%

increase in fruit and veg prices in the last year

Constrained choices which limit our ability to adopt health-promoting behaviours

36%

of the average food bill contains unhealthy highly-processed foods and drinks



of adults get the recommended 2.5 hours of physical activity each week

6%

of children get the recommended seven servings of vegetables and fruit each day



9 in 10 children get more than 2 hours of screen time a day

Inequities in obesity and related long-term conditions

↑ 64%

increase in the number of pregnant women admitted to hospital with gestational diabetes between 2002 and 2020. The proportion of admissions is higher for Asian and Pacific women

Māori and Pacific peoples are more likely to die of CVD than non-Māori non-Pacific Peoples

4x



Tobacco use

9.7%



Dietary risks

8.6%



High BMI

8.2%

Dietary risks and obesity are in the top 3 causes of total health loss in

Appendix 2: Level of implementation of food environment policies and infrastructure support by the New Zealand Government in 2020¹

The New Zealand Food Environment Policy Index (Food-EPI) undertakes regular assessments of the New Zealand food environment. The most recent assessment (Food-EPI 2020) has rated the extent of implementation of policies on food environments and infrastructure in New Zealand compared to international best practice. The assessment was carried out by an expert panel of over 50 independent and government public health experts using an extensive evidence base validated by government officials.

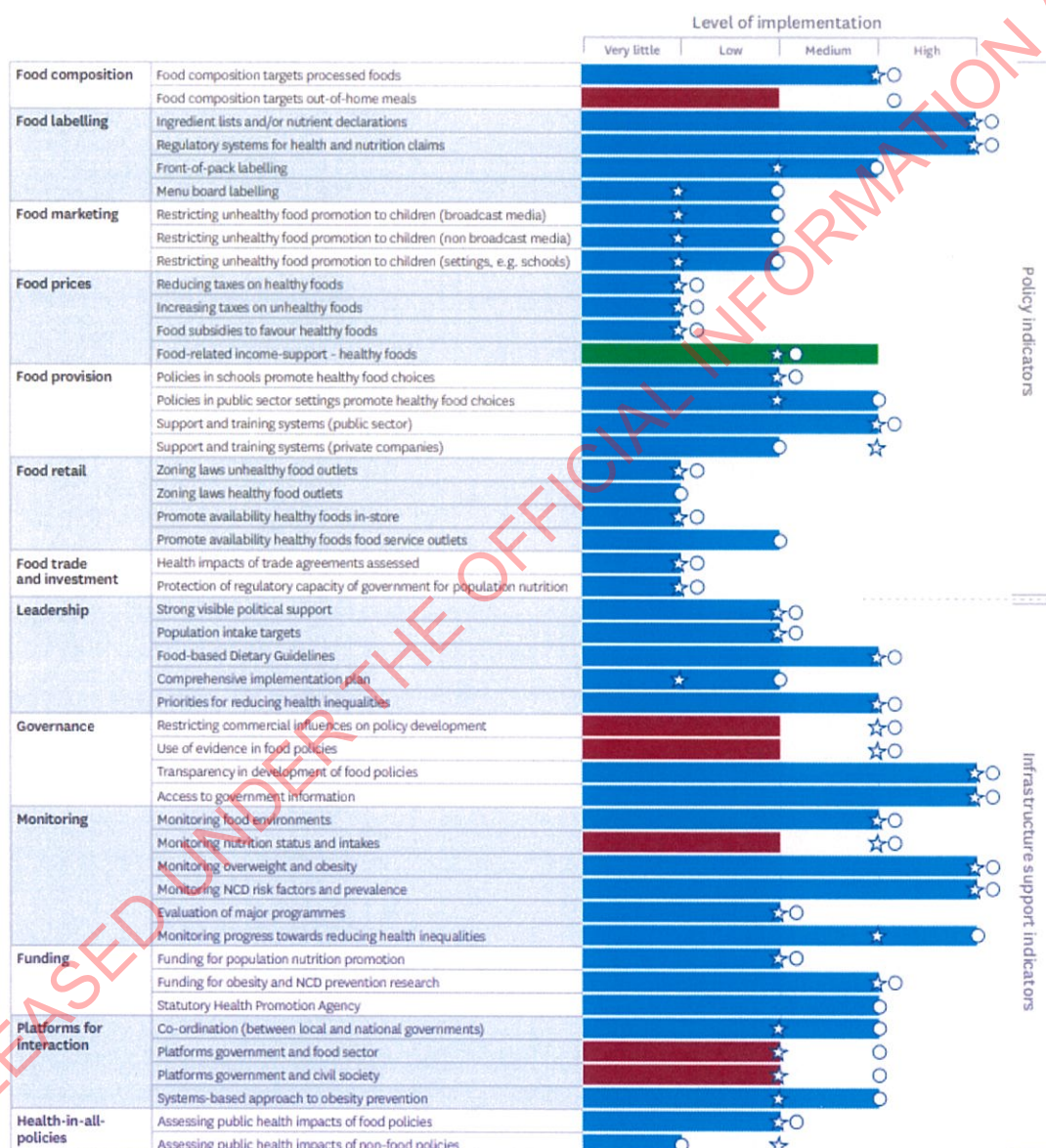


Figure 3: Level of implementation of food environment policies and infrastructure support by the New Zealand Government in 2020 against international best practice (☆ 2014, ○ 2017 ratings)

Change in level of implementation: ■ Reduced since 2017; ■ No change since 2017; ■ Progress since 2017

¹Mckay, S. et al. Benchmarking Food Environments: Progress by the New Zealand Government on Implementing Recommended Food Environment Policies & Priority Recommendations. University of Auckland, 2020.

Appendix 3: Policy options for food and active environments

All population health interventions have the potential to instigate, increase or reduce inequities and inequalities (1). This table summaries some of the most recent evidence base in terms of equity impacts of policy interventions to improve diets and active lifestyles. Note, however, that there are significant gaps in the evidence base and areas where the available evidence is contradictory. A comprehensive suite of interventions is also more likely to be effective than any single approach. Whatever the intervention, how it is implemented matters. Unless a policy preferentially benefits Māori and Pacific people, especially Māori and Pacific women and girls, inequities will be maintained or widened.

Lever	Action	Examples	Likely magnitude of impact (total population)	Equity considerations
Regulatory environment (active protection)	Incentivise food reformulation and portion control	<ul style="list-style-type: none"> Government-led targets on salt and sugar Mandatory use of health star rating Limits on portion size 	High (5, 12)	<p>Reformulation is only likely to reduce inequities if applied across the entire product range. Reformulation could increase inequities if it is applied to only some products, which then attract price premium, while lowest cost options remain unchanged (2).</p> <p>Mandatory "health star rating" or any labelling interventions may incentivise reformulation but could also widen inequities, as they rely on health literacy, literacy and differential ability to change purchasing behaviour, so preferentially benefit those with highest education and most resources (3).</p>
	Fiscal measures to reduce the cost of healthy food/ increase cost of unhealthy food	<ul style="list-style-type: none"> Sugar sweetened beverages levy Fruit and vegetable subsidy 	Unclear, modelling suggests a potential high impact but needs to be confirmed through empirical evidence (5, 12)	Modelling studies estimate that taxes on unhealthy foods and subsidies for healthier foods may decrease health inequalities (1, 4, 5), but this needs to be confirmed through empirical evidence.
	Regulate advertising of unhealthy foods	<ul style="list-style-type: none"> Stronger restrictions on unhealthy food and beverage marketing, advertising and sponsorship aimed at children 	Med (12)	Some theoretical potential to reduce inequities as people living in socioeconomically deprived areas have higher exposure to advertising (7). Reduction in inequity only likely if socioeconomically disadvantaged groups are also able to change purchasing decisions (so price and availability matter too).
	Actively protect communities	<ul style="list-style-type: none"> Mandate healthy food and water-only policies in schools and ECE Work with local authorities to create healthier, more active communities e.g. through planning and infrastructure Introduce zoning laws to limit fast food store density Change legislation to prioritise cyclist and pedestrian safety measures 	Unclear, but removing barriers/mandating change at a national level could support greater action by local councils and communities	To avoid widening inequities, any settings-based initiatives need to address ethnic, and gendered ethnic inequities in obesity in NZ, and be grounded in solutions which preferentially benefit Māori and Pacific people, especially women and girls.
Infrastructure	Strengthen strategic leadership and collective action	<ul style="list-style-type: none"> Support implementation of the Emissions Reduction Plan, national transport strategies/programmes and the National Physical Activity and Play Action Plan Develop a national food environments strategy and/or a cross-sector national food systems strategy Set national targets for improving nutrition and physical activity 	Unclear	Need to ensure equity is prioritised within any strategy/plan and that a robust monitoring and evaluation framework is put in place to measure impact.
	Improve cross-government alignment on food policy and urban environments	<ul style="list-style-type: none"> Establish senior leadership groups across government agencies with responsibility for food policy and urban environments Ensure health representation on Food Ministers meeting and Resource Management System Reform meetings 	Unclear	Need to ensure robust equity impact assessment is undertaken on all proposals.
Operational policy	Support the development of healthy settings	<ul style="list-style-type: none"> Strengthen the Healthy Active Learning programme in school and ECE centres Implement active transport plans for schools and workplaces Implement a healthy food and drinks policy across all health providers / government departments Shared mobility schemes for people in social housing 	Unclear	<p>School based food interventions can have an impact on inequities, if well designed and implemented (8). Infrastructure improvements if not well targeted and designed can increase inequities by having a greater impact on more socio-economically advantaged communities (9+10).</p> <p>To avoid widening inequities, any place-based initiatives need to address ethnic, and gendered ethnic inequities in obesity in NZ, and be grounded in solutions which preferentially benefit Māori and Pacific people, especially women and girls.</p>

Community Action	Increase nutrition skills and literacy	<ul style="list-style-type: none"> • Community-led social marketing campaigns • Resource development • School-based education programmes • Promotion of breastfeeding 	Med (5, 12)	Likely to make inequities worse, through differential ability to access information, support and change behaviour.
	Provide national guidance	<ul style="list-style-type: none"> • Update Eating and Activity Guidelines for children • Implement the National Weight Management Guidelines 	Low (5)	Could make inequities worse if focussed on individual behaviour change. However, can be used to support pro-equity policy implementation.
	Work with industry /supermarkets	<ul style="list-style-type: none"> • Industry-led actions/pledges • Improve retail environments (price, promotion and placement) 	Low	Unclear, may make inequities worse, through differential ability to change purchasing behaviour, and higher price points for “healthier” products. Reducing the promotion of multi-buys would potentially have a greater impact on low-income groups.
	Increase active transport	<ul style="list-style-type: none"> • Improve pedestrian and cycle-friendly school/community infrastructure • Increased availability and affordability of public transport and e-bikes • Health impact assessments on local transport plans 	Low (5)	Infrastructure improvements if not well targeted and designed can increase inequities by having a greater impact on more socio-economically advantaged communities (10).
	Support community-led system-change/action	<ul style="list-style-type: none"> • Fruit and vegetable co-ops, social supermarkets and community gardens • Lifestyle support initiatives • Strengthen the role of regional partnerships e.g. Healthy Auckland Together • Healthy Families NZ 	Low (depends on scale)	Growing evidence of the impact on the wider determinants of health, particularly when taking a system-change approach led by Māori and Pacific providers (11)
	Monitoring			
	Increase our understanding of inequities in community nutritional status	<ul style="list-style-type: none"> • Roll-out a NZ Nutrition Survey (based on recently developed tool) 	Unclear	Would help increase our understanding of inequities in nutrition and target future action. The survey methodology has been developed with Māori research oversight to ensure it is culturally responsive and will increase our understanding of inequities in nutrition.
	Strengthen national oversight of action to improve healthy food environments	<ul style="list-style-type: none"> • Monitoring framework (inc. monitoring industry progress, food environments and standardised physical activity monitoring) • Research and evaluation to monitor equity impact 	Unclear	Would help strengthen how we monitor equity impact and support targeting of future action.

References

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4. Sassi F. Obesity and the Economics of Prevention Fit not Fat: Fit not Fat. OECD Publishing; 2010.
5. Wilson N, Grout L, Summers J, Jones AC, Mizdrak A, Nghiem N, et al. Should prioritising health interventions be informed by modelling studies? The case of cancer control in Aotearoa New Zealand. N Z Med J. 2021;134(1531):101-13.
6. Sassi F, Belloni A, Mirelman AJ, Suhrcke M, Thomas A, Salti N, et al. Equity impacts of price policies to promote healthy behaviours. Lancet. 2018;391(10134):2059-70.
7. Organization WH. Implementing policies to restrict food marketing: a review of contextual factors. Geneva: World Health Organization; 2021.
8. World Health Organization. Implementing school food and nutrition policies: a review of contextual factors. Geneva: World Health Organization; 2021.
9. Love RE, Adams J, van Sluijs EMF. Equity effects of children's physical activity interventions: a systematic scoping review. International Journal of Behavioral Nutrition and Physical Activity. 2017;14(1):134.
10. Smith M, Hosking J, Woodward A, Witten K, MacMillan A, Field A, et al. Systematic literature review of built environment effects on physical activity and active transport – an update and new findings on health equity. International Journal of Behavioral Nutrition and Physical Activity. 2017;14(1):158.
11. Te Herenga Waka Victoria University of Wellington. Community-up system change for health and wellbeing. Te Whatu Ora; 2022
12. World Health Organization. Draft Updated Appendix 3 of the WHO Global NCD action plan 2013-2030; 2022 (unpublished)

Appendix 4: Cross-government roles and responsibilities

Food Environments

Topic / Group	Lead organisation	Minister
Primary Industries Ministers	Cross-ministerial group	Hon David Parker, Minister for Environment, Oceans and Fisheries Hon Damien O'Connor, Minister of Agriculture Hon Megan Woods Acting Minister for Economic Development and Acting Minister of Forestry. Hon Meka Whaitiri, Minister for Food Safety Hon James Shaw, Associate Minister for the Environment
Food Safety	MPI	Hon Meka Whaitiri, Minister for Food Safety
Food Systems	MPI	Hon Damien O'Connor, Minister of Agriculture and Biosecurity Minister Meka Whaitiri, Minister for Food Safety
Healthy food environments, nutrition	MoH	Hon Ayesha Verrall, Minister of Health Hon Barbara Edmonds, Associate Minister of Health
Food in schools/ECE	MoE	Hon Jan Tinetti, Minister of Education
Wai Ora – healthy environments	MfE TPK	Hon David Parker, Minister for Environment, Oceans and Fisheries Hon Peeni Henari, Minister for Whānau Ora
Food waste / food loss / food security	MfE	Hon David Parker, Minister for the Environment Hon Damien O'Connor, Minister of Agriculture and Biosecurity
Food security	MSD TPK	Hon Carmel Sepuloni, Minister of social development and employment Hon Willie Jackson, Minister for Māori Development
Climate change	MfE MPI	Hon David Parker, Minister for the Environment Hon James Shaw, Minister of Climate Change
Market Access and International Trade	MPI MFAT	Hon Damien O'Connor, Minister for Trade and Export Growth Hon Nanaia Mahuta, Minister for Foreign Affairs and Trade
Grocery Industry Competition Bill	MBIE	Hon Megan Woods Acting Minister for Economic Development

Active Environments

Topic / Group	Lead organisation	Minister
School sports/PA	MoE	Hon Jan Tinetti, Minister of Education
Sport and physical activity	SportNZ	Hon Grant Robertson, Minister of Sport and Recreation
Active transport	Waka Kotahi	Hon Michael Wood, Minister for Transport
Physical activity	MoH	Hon Ayesha Verrall, Minister of Health

		Hon Barbara Edmonds, Associate Minister of Health
Natural environments	MfE and DOC	Hon David Parker, Minister for the Environment
Urban development	MHUD	Hon Megan Woods, Minister for Housing and Urban Development
		Hon Barbara Edmonds, Associate Minister for Housing and Urban Development

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Appendix 5: Health system roles and responsibilities¹

Organisation	Team (Lead)	Focus areas
Manatū Hauora (Ministry of Health)	Public Health Agency (Dr Andrew Old)	Strategic leadership and stewardship, national policy, cross-government action, monitoring and evaluation, with a focus on the wider determinants of health
Te Whatu Ora (HealthNZ)	National Public Health Service (Dr Nick Chamberlain)	Operational policy (inc. guideline development), cross-government action (esp. regional + local), health promotion, PH workforce development and national networks
	Population Health Commissioning (Deborah Woodley)	Operational policy and commissioning (inc. Healthy communities and LTC management)
	Pacific Health (Meg Poutasi)	Commissioning, community voice, Pacific workforce development
Te Aka Whai Ora (Māori Health Authority)	Public and Population Health (Selah Hart)	Operational policy and commissioning, cross-government action, system oversight, Māori workforce development and whānau voice

¹ As of 1 April 2023, note Te Whatu Ora (including the national public health agency) is in the process of consulting on an organisational restructure which may impact on where functions sit in the future



Aide-Mémoire

Meeting with the New Zealand Dental Association 1 June 2023

Date due to MO:	18 May 2023	Action required by:	N/A
Security level:	IN CONFIDENCE	Health Report number:	H2023023369
To:	Hon Barbara Edmonds, Associate Minister of Health		
Consulted:	Health New Zealand: <input checked="" type="checkbox"/> Māori Health Authority: <input type="checkbox"/>		

Contact for telephone discussion

Name	Position	Telephone
Jane Chambers	Group Manager Public Health Policy and Regulation Public Health Agency Te Pou Hauora Tūmatanui	s 9(2)(a)



Aide-Mémoire

Meeting with the New Zealand Dental Association 1 June 2023

Date due: 18 May 2023

To: Hon Barbara Edmonds, Associate Minister of Health

Security level: IN CONFIDENCE **Health Report number:** H2023023369

Details of meeting:

- Meeting with the New Zealand Dental Association (NZDA) on Thursday 1 June 2023 at 11:15 – 11:45am
- Location: Parliament House G098 – Minister Edmonds office

Attendees:

- Dr Erin Collins BDS (Otago) NZDA President
- Dr Mo Amso NZDA Chief Executive
- Dr Rob Beaglehole NZDA spokesperson and Lead- National Public Health Innovation and Advancement Team, National Public Health Service, Te Whatu Ora

(Refer Appendix 1 for NZDA attendee biographies).

- Deborah Woodley, Interim Director Population Health Programmes – Commissioning, Te Whatu Ora (027 284 5030) and Jane Chambers, Group Manager - Public Health Policy and Regulation, Te Pou Hauora Tūmatanui (021 914 028) are available to attend the meeting at your request.

Purpose of meeting/proposal:

The NZDA has asked to meet with you to discuss:

- some evidence-based population wide strategies to reduce sugar consumption
- an update on oral-health related concerns that are disproportionately impacting Māori & Pacific – referring to ongoing and persisting backlog in treatment for children in the Community Oral Health Service (COHS)

These items span across both Manatū Hauora and Te Whatu Ora areas of responsibility.

Comment:

- This aide-mémoire discloses all relevant information.



Dr Andrew Old
Deputy Director General
Public Health Agency | Te Pou Hauora Tūmatanui

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Background on the New Zealand Dental Association

1. The New Zealand Dental Association (NZDA) is the professional association for dentists. Over 98% of dentists are paid members of the NZDA. In addition to advocating for its members, NZDA provides a range of services including guidance on clinical practice professional development, representation in international forums, oral health promotion activity and supporting oral health research.
2. The NZDA met with Hon Dr Ayesha Verrall, Minister of Health on 19 April 2023 to discuss community water fluoridation (CWF), workforce, the backlog in treatment for children in the Community Oral Health Service (COHS), the 'healthy drinks only' policy for schools and future options for free or subsidised oral health care to more New Zealanders.
3. The NZDA has requested a meeting with you on 1 June 2023 to discuss some evidence-based population wide strategies to reduce sugar consumption. It also wishes to raise concerns about the number of children overdue for routine oral health examinations in the COHS that it states disproportionately impact on Māori and Pacific children.
4. The NZDA also requested a meeting with Minister Hon Jan Tinetti to discuss a 'healthy drinks only' policy for schools, which the Minister has declined.
5. Te Whatu Ora and Manatū Hauora officials have quarterly meetings with NZDA and have met with them as recently as March 2023, where the issue of arrears in the COHS was discussed.

Topics for discussion

Evidence-based population wide strategies to reduce sugar consumption

6. In its letter to you the NZDA has asked to discuss some evidence-based population wide strategies to reduce sugar consumption. The following points are comments from Manatū Hauora:
7. There are differences in the distribution of high body mass index and dietary risk factors (such as low fruit and vegetable intake, high takeaway and sugary drink intake) across population groups, with Māori, Pacific peoples and those living in areas of high deprivation more likely to be impacted.
8. The health reforms [Pae Ora (Healthy Futures) Act 2022] have placed a greater obligation on the health system to tackle the drivers of poor health and health inequities, including nutrition and obesity.
9. Work is underway now specifically examining new ways we can support healthy food environments. Manatū Hauora is working with Te Whatu Ora and Te Aka Whai Ora on a coordinated, multi-agency approach to improve food environments, as well as strengthening cross-agency collaboration and action.
10. In April 2023, Manatū Hauora provided advice on 'Action to improve food and active environments' [H2023021732 refers]. This report outlined the range of regulatory and non-regulatory options available to improve food and active environments, with a focus on equity impact. Potential options to reduce sugar consumption include taxation, reformulation of processed foods and stronger regulation of marketing and advertising aimed at children.
11. A sugar tax is not a current consideration for the Government, based on findings from the 2019 Tax Working Group.
12. Manatū Hauora is currently undertaking an update of the 2017 evidence review of a sugar sweetened beverage tax. The 2017 report concluded that as of 2017, the evidence that sugar taxes improve health was weak. Over the last 5 years, more than 45 countries have implemented or continued to use sugar taxes, warranting renewed consideration of the issue based on up-to-date evidence.
13. In recognition of the importance of creating healthy food environments to improve the wellbeing of children and young people, as part of Budget 19, the Government announced Healthy Active Learning – a joint Ministry of Education, Ministry of Health and Sport New Zealand initiative. The initiative supports schools, kura and early learning services to adopt and implement healthy food and water-only (including plain milk) policies and implement quality physical activity programmes. Being part of Healthy Active Learning is voluntary.
14. In relation to the Ministry of Education's healthy drinks work:
 - In 2022, the Ministry of Education consulted on options to strengthen a duty on schools and kura to promote healthy food and nutrition by adding a requirement in new regulations on primary schools to provide only healthy drinks. Cabinet subsequently agreed to only lift and shift the existing National Administration Guideline (NAG) 5b duty and noted that the Ministry would gather more evidence

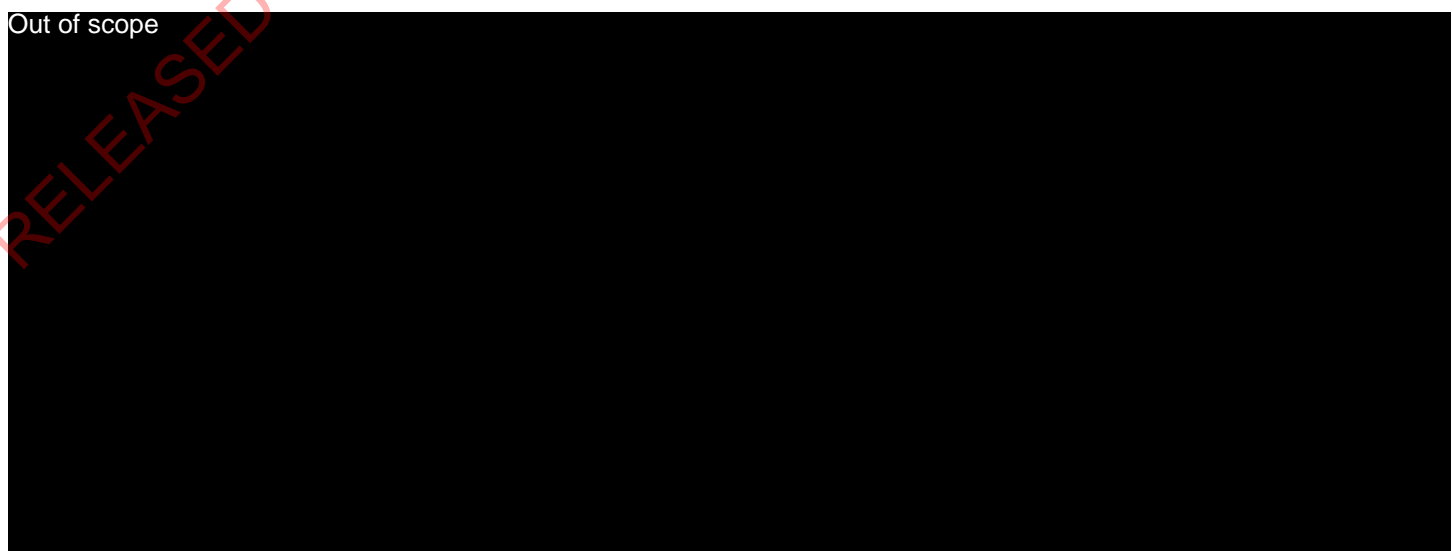
about how to implement a 'healthy drinks only' duty on primary and secondary schools and report back to Ministers by the end of 2023.

- Manatū Hauora understands that the Ministry of Education is currently considering the priority of this work following clear signaling by the Prime Minister that agencies should focus on issues of most concern to New Zealanders, and a subsequent invitation from the PM to outline the education priorities through to December 2023.

Talking points

- I have commissioned advice from Manatū Hauora on ways to support healthier food environments. This advice will include both regulatory and non-regulatory options for my consideration.
- I am aware there is growing international evidence on how to improve food environments, however, for the New Zealand context, we must carefully consider the equity impact of any population health intervention. My understanding is that there is more work to be done on this.
- The health reforms [Pae Ora (Healthy Futures) Act 2022] have placed a greater obligation on the health system to tackle the drivers of poor health and health inequities, including the wider socio-economic determinants of health. This includes the need for greater cross-sector collaboration on complex issues like food environments.
- The Public Health Advisory Committee, established as part of the health reforms, is developing advice on food environments for Ministers. This group of independent public health experts will provide recommendations on how the food system can be improved to support better health and wellbeing, reporting back in January 2024.
- Te Whatu Ora is working on implementing a national healthy food and drink policy across the health system to ensure there is a range of healthy food and drink options available in health settings.
- The National Public Health Service provides a health promotion workforce to support schools, kura and early learning services to adopt and implement healthy food and drink policies. This is through 'Healthy Active Learning', a joint government initiative between Sport NZ, Te Whatu Ora and the Ministry of Education focused on improving the wellbeing of tamariki by supporting healthy and active school environments.
- Sugar tax is not a current consideration for the Government. However, Manatū Hauora continues to monitor international evidence and practice in this area.

Out of scope



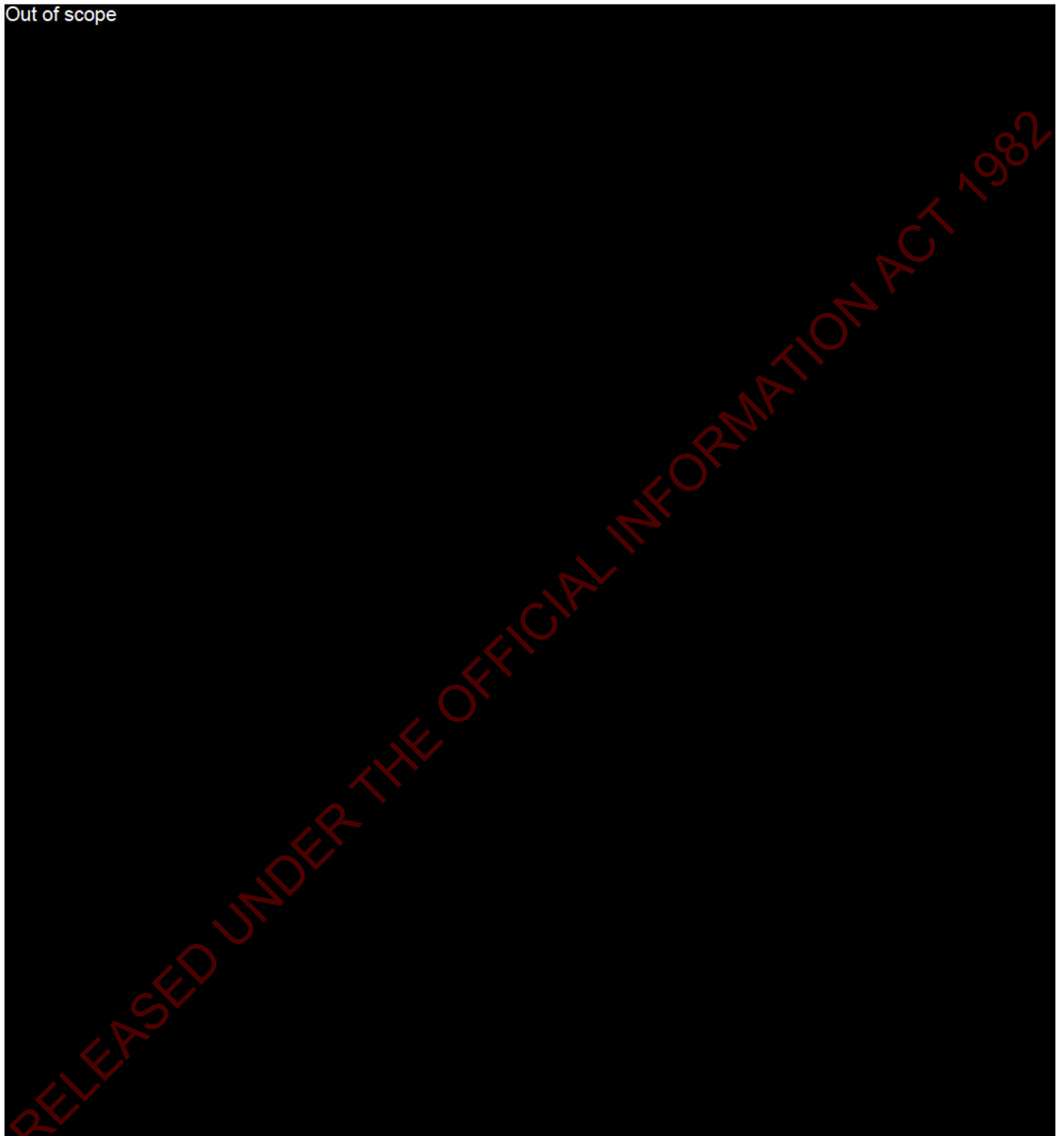
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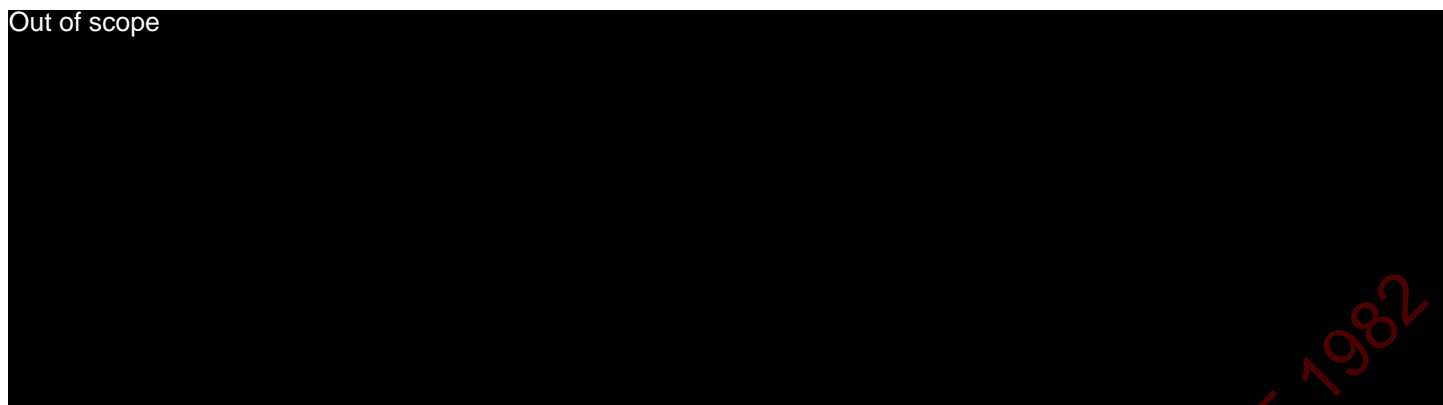


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Excerpt from: Briefing HR2023025438 *Current work programme of the Public Health Agency*

Nutrition and food environments

20. The PHA lead advice to strengthen collective action on healthy food environments. Policy advice and options have been provided to the Hon Barbara Edmonds in her capacity as the Associate Minister of Health, with two briefings regarding nutrition and food environments to be provided in June and July.

21. A healthy food environments steering group has been established by the PHA, bringing together leaders from Manatū Hauora, Te Whatu Ora, Te Aka Whai Ora and Te Aho o Te Kahu. The steering group provides strategic leadership, collaboration and oversight of a shared healthy food environments work programme. This includes strengthening the use of levers and opportunities available within the health system, as well as strengthening the role of health in cross-government policy work.

22. The secretariat function for the Public Health Advisory Committee (PHAC) sits within the PHA. You have requested the committee to focus on the topic of food environments for their major work focus of 2023.

Alcohol levy

29. For the 2023/24 financial year, the PHA has led the alcohol levy setting process. With levy setting decisions for 2023/24 confirmed, the PHA, Te Whatu Ora and Te Aka Whai Ora are working to get funding agreements in place for their allocations of levy funding.

30. The PHA is providing coordination and contract management support to the independent review of the alcohol levy review, which is due to be completed in November 2023.

31. Wider alcohol policy work remains a key focus. Currently the PHA is working closely with the Ministry of Justice on their amendments to the Sale and Supply of Alcohol Act 2012 and the Sale and Supply of Alcohol (Community Participation) Amendment Bill.

32. Further, in March you directed officials to investigate the quantum and level of reliance New Zealand sports clubs have on funding from alcohol and gambling sponsorship. The PHA is working across Manatū Hauora to respond to this request. The report will take an equity and Te Tiriti-first approach, recognising the unequal burden of disease and inequitable health outcomes.

Aide-Mémoire

Meeting with Health Coalition Aotearoa

Date due to MO:	15 June 2023	Action required by:	N/A
Security level:	IN CONFIDENCE	Health Report number:	H2023025487
To:	Hon Dr Ayesha Verrall, Minister of Health		
Consulted:	Health New Zealand: <input type="checkbox"/> Māori Health Authority: <input type="checkbox"/>		

Contact for telephone discussion

Name	Position	Telephone
Jane Chambers	Group Manager, Public Health Policy and Regulation, Public Health Agency	s 9(2)(a)

Aide-Mémoire

Meeting with Health Coalition Aotearoa

Date due:	15 June 2023		
To:	Hon Dr Ayesha Verrall, Minister of Health		
Security level:	IN CONFIDENCE	Health Report number:	H2023025487

Details of meeting: You are meeting with Boyd Swinburn and Lisa Te Morenga, Co-Chairs of the Health Coalition Aotearoa (HCA), on 27 June 2023, 4:00pm to 4:30pm at your office in the Beehive.

Jane Chambers, Group Manager, Policy and Regulation and Anna Jackson, Senior Advisor, Equity and Population Health, from the Public Health Agency will attend the meeting.

Purpose of meeting: HCA wish to discuss their strategic priorities for the next 3 years and prevention priorities for tobacco, alcohol, and ultra-processed foods.

Comment:

- This aide-mémoire provides you with brief talking points and biographies of the HCA Co-chairs (Appendix 1 and 2).
- This aide-mémoire discloses all relevant information.



Jane Chambers

Group Manager

Public Health Agency | Te Pou Hauora Tūmatanui

Health Coalition Aotearoa

- HCA is a coordinating, umbrella organisation for non-governmental organisations, healthcare and academic sectors. Their mission is to provide a collective voice and expert support for effective policies and actions to reduce harm from tobacco, alcohol and unhealthy foods and to reduce inequities through a focus on the determinants of health.
- Aligned to their mission, the HCA has set the following goals:
 - improvements in the societal determinants of health
 - control over the commercial determinants of health
 - strengthened public health infrastructure and funding for prevention
 - smokefree <5% prevalence of smoking Aotearoa with reduced inequities by 2025
 - reduced harm and inequities from alcohol consumption
 - reduced harm and inequities from unhealthy foods and beverages
 - reduced obesity prevalence and inequities in children and adults.

Government action on tobacco, alcohol, and unhealthy foods

We have taken several steps to achieve a Smokefree Aotearoa by 2025

- The Government has recently taken several steps to help achieve a Smokefree Aotearoa by 2025. These steps include launching a Smokefree 2025 Action Plan, increasing investment in smokefree services, and launching a new Quit campaign and a youth focused social media campaign on vaping.
- The Government also recently passed the Smokefree Environments and Regulated Products (Smoked Tobacco) Amendment Act. This Act came into force on 1 January 2023 and will restrict the sale of smoked tobacco products to a maximum of 600 approved retail premises, prohibit anyone from selling or supplying smoked tobacco products to people born on, or after, 1 January 2009, and extends the Act's regulatory powers over the composition of smoked tobacco products, such as nicotine levels.
- The Smoked Tobacco Regulatory regime will be established in the second half of this year to enact the changes called for in the Amendment Act. Manatū Hauora (the Ministry of Health) consulted on proposals for the regime at the start of the year to ensure that the regime is informed by and reflects community aspirations and Māori and Pacific perspectives.
- New smoked tobacco and vaping policies were announced on 6 June 2023. These policies included:
 - new Specialist Vape Shops (SVRs) will not be able to open in the immediate vicinity of schools and marae
 - vape products and their packaging will only be able to have generic flavour descriptions
 - maximum nicotine strength allowed in single-use (disposable) vapes will be reduced so they are less addictive

- all vaping products will have removable batteries and child-safety mechanisms to improve their safety and better protect our young people
- criteria that will be used to select approved smoked tobacco retailers for the smoked tobacco retail scheme has responsible people, business location, safety, security and training at the forefront of all considerations. The scheme takes effect from 1 July 2024 and will see the number of tobacco retailers drop to no more than 600
- finalised product testing requirements so that from 1 April 2025 we can ensure only very low-level nicotine products are being sold. Full strength cigarettes contain approximately 15-16mg/g of nicotine and low nicotine tobacco will have no more than 0.08mg/g, resulting in a significantly less addictive product.

Manatū Hauora is involved in work on the alcohol levy, Waitangi Tribunal Inquiry (2575 and 3060), and is progressing a public health approach to alcohol

Alcohol levy

- The alcohol levy provides a small (\$11.5 million for 2023/24) but earmarked fund for addressing alcohol-related harm. Previously levy funding went directly to Te Hīringa Hauora - Health Promotion Agency, the operations of which are now in Te Whatu Ora. Under the Pae Ora (Healthy Futures) Act 2022 this levy comes to Manatū Hauora. Going forwards, both Te Whatu Ora and Te Aka Whai Ora will also be involved in commissioning funded from the alcohol levy.
- Manatū Hauora has procured an independent review of the Alcohol Levy. The review will be completed in November 2023. Part of this review is an up-to-date economic analysis of the cost of alcohol-related harms in Aotearoa. The review will provide helpful analysis both regarding the levy's future and to inform Manatū Hauora's development of public health policy approaches to help address alcohol-related harm.

Waitangi Tribunal Inquiry – 2575 and 3060

- Manatū Hauora has, at the direction of the Waitangi Tribunal, engaged with a Tribunal claimant from the Wai 2575 inquiry. The focus under the Health inquiry has largely been on improving outcomes for Māori with lived-experience of fetal alcohol spectrum disorder (FASD) and their whānau. The establishment of an advisory Rōpū and hosting a hui taumata, FASD summit, at Parliament on 8 June 2023 are initial steps taken from suggestions by the claimant to guide the rest of the kaupapa.
- Parts of the claim may also be heard in the Wai 3060 Justice inquiry, as they relate to the Sale and Supply of Alcohol Act. Manatū Hauora is liaising with the Ministry of Justice on the progress of those claims. The Public Health Agency (PHA) also continues to work closely with the Ministry of Justice regarding their broader work on regulation of alcohol sale and supply.

Public health approach to alcohol-related harm

- Manatū Hauora has begun the process of developing a position statement on alcohol. This is being led from the PHA. Given the ubiquity of alcohol as a determinant of health the PHA is well placed to ensure the necessary breadth of expertise will be engaged as this develops.

The PHA is leading work on nutrition and food environments in collaboration with Te Whatu Ora and Te Aka Whai Ora

- Unhealthy food environments enable unhealthy diets which are the second greatest contributor to preventable health loss. Māori, Pacific peoples and communities experiencing socio-economic disadvantage are disproportionately impacted by unhealthy food environments and poor nutrition.
- The PHA is leading work on nutrition and food environments in collaboration with Te Whatu Ora and Te Aka Whai Ora. The PHA and Te Whatu Ora are also part of a cross-government group looking at strengthening collaboration across the food system. This is an opportunity to strengthen our alignment across government and to ensure health is a key consideration in all decisions related to our food system.
- The PHA has recently provided the Associate Minister of Health, Hon Barbara Edmonds, with high-level advice on food and active environments and is in the process of developing further advice on *reducing advertising and marketing of unhealthy food and drinks to children*.
- The PHA is currently working to arrange a meeting with Boyd Swinburn and Fiona Sing, a member of HCA's Food Policy Expert Panel, to discuss the work HCA has been undertaking on advertising and marketing.

Appendix 1: Talking points

- Thank you for initiating this meeting. I want to first acknowledge the efforts and expertise of Health Coalition Aotearoa. The work you and your members do makes a tangible difference.
- I am acutely aware of the fact that improving people's health requires improving people's general lives. This means ensuring they have access to healthy food, safe housing, employment, education, and are part of thriving communities.
- A key driver of the health and disability system reforms was shifting the focus from simply treating illness to preventing illness and injury and keeping people well. This includes a focus on the determinants of health.
- I am interested in hearing your thoughts on prevention priorities for tobacco, alcohol, and ultra-processed foods and how to further reduce inequities and harm.

Progress towards Smokefree 2025

- As you've noted, a lot of progress has been made in the smokefree space.
- It is heartening to know that the overall daily smoking rate in New Zealand has decreased from 14.5% to 8% over the past 7 years and that daily smoking rates for wāhine Māori have halved since 2015.
- I am personally proud of the steps we have taken recently to lower smoking rates, for example, launching the Smokefree Action Plan and passing the Smokefree Environments and Regulated Products (Smoked Tobacco) Amendment Act.
- You may also be aware the Smoked Tobacco Regulatory regime will be established in the second half of this year. Manatū Hauora consulted on proposals for the regime at the start of the year to ensure that the regime is informed by and reflects community aspirations and Māori and Pacific perspectives.
- A range of new smoked tobacco and vaping policies were announced on 6 June 2023. Some examples of the policies include not allowing Specialist Vape Shops (SVRs) to open in the immediate vicinity of schools and marae, reducing maximum nicotine strength in single-use (disposable) vapes, and only allowing vape products to have generic flavour descriptions
- We will also continue to monitor vaping trends and tighten regulations further as warranted.

Alcohol

- I am interested in progressing a public health approach to reducing alcohol-related harm and the Public Health Agency is developing its capability in this area.
- Two current pieces of work may be of particular interest to you:
 - Manatū Hauora is working with a claimant from the Wai 2575 inquiry about improving outcomes for Māori with lived-experience of fetal alcohol spectrum disorder and their whānau; and
 - Manatū Hauora has procured an independent review of the alcohol levy which will include an up-to-date economic analysis of the cost of alcohol-related harm in Aotearoa. This report is due in November 2023.

- When the PHA engages with the sector on alcohol matters, you may want to provide advice based on your expert knowledge, perhaps including lessons from progress on harm minimisation from tobacco products.

Nutrition and food environments

- I'm happy to share that a Healthy Food Environments Steering Group has recently been established and it includes leaders from Manatū Hauora, Te Whatu Ora, Te Aka Whai Ora and Te Aho o Te Kahu. The purpose of the group is to provide leadership, strategic direction and accountability of a shared healthy food environments work programme for the health sector.
- The newly established Public Health Advisory Committee will also be looking at how New Zealand's food systems can be improved to support better health and wellbeing and will report back in January 2024.
- The PHA is currently developing a public health surveillance and monitoring work programme. A key piece of work which you may be interested in is development of a New Zealand nutrition survey. This will provide up-to-date information on dietary intake and nutritional status of New Zealanders and inform our policy and programme development.

Appendix 2 - HCA attendee biographies

Boyd Swinburn, HCA, Co-Chair



Professor Boyd Swinburn is Professor of Population Nutrition and Global Health at the University of Auckland, and Honorary Professor, Global Centre (GLOBE), Deakin University, Australia. His major research interests centre on community and policy actions to prevent childhood and adolescent obesity, and reduce, what he has coined, 'obesogenic' environments.

Lisa Te Morenga HCA, Co-Chair



Associate Professor Lisa Te Morenga is a nutrition and Māori health researcher based in the Massey University Research Centre for Hauora and Health and Principal Investigator with the Riddet Centre of Research Excellence. Her research interests relate to supporting individuals, whanau and communities to achieve good health through being able to access healthy affordable food.

Lisa works on community-centre projects to improve health services and health outcomes for Māori whanau in the fields of pain, cancer and rangatahi wellbeing. She is currently the Māori lead on a Ministry of Health contract to develop the methods for the next national children and adults nutrition survey.

Other HCA Board members include:

- Professor Sally Casswell, Massey University
- Belinda Castles, Consumer NZ
- Sally Liggins, Massey University
- Jason Alexander, Hāpai Te Hauora
- Grant Berghan, Independent
- David Galler Independent
- Tania Sharkey, Independent

Briefing

2023 Obesity Work Programme (from prevention to treatment)

Date due to MO:	16 June 2023	Action required by:	N/A
Security level:	IN CONFIDENCE	Health Report number:	H2023024978
To:	Hon Barbara Edmonds, Associate Minister of Health		
Copy to:	Hon Dr Ayesha Verrall, Minister of Health		
Consulted:	Health New Zealand: <input checked="" type="checkbox"/> Māori Health Authority: <input checked="" type="checkbox"/>		

Contact for telephone discussion

Name	Position	Telephone
Dr Andrew Old	Deputy Director General, Public Health Agency	s 9(2)(a)
Jane Chambers	Group Manager, Public Health Policy and Regulation, Public Health Agency	s 9(2)(a)

Minister's office to complete:

- | | | |
|---|------------------------------------|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Decline | <input type="checkbox"/> Noted |
| <input type="checkbox"/> Needs change | <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn | |

Comment:

2023 Obesity Work Programme (from prevention to treatment)

Security level: IN CONFIDENCE **Date:** 16 June 2023

To: Hon Barbara Edmonds, Associate Minister of Health

Purpose of report

1. You have requested an update on the health work programme for obesity (from prevention to treatment) for the next six months. The briefing covers all levers and opportunities that you can progress.
2. The briefing also provides information requested by you on international food reformulation targets (Appendix 1).
3. This briefing has been developed in partnership with Te Aka Whai Ora, Te Whatu Ora, Sport New Zealand and the Ministry for Primary Industries.

Summary

4. Appendix 2 outlines current activity and short-term opportunities to prevent or treat obesity across the health and wider social system. This includes obesity-specific initiatives, as well as more holistic approaches focussed on improving nutrition, physical activity and food security. This is not a comprehensive work programme but aims to give you visibility of current activity relevant to this priority area.
5. Preventing and reducing the inequitable impact of obesity in Aotearoa New Zealand is complex, requiring interventions across the health continuum, as well as targeted approaches for priority populations. It therefore involves multiple teams from across the new health entities, as well as cross-government collaboration.
6. Given the breadth of this topic, it is important that the health system is operating in a well-co-ordinated and collaborative manner. There is a need to strengthen system-level action and oversight. This could be achieved through development of a comprehensive, long-term strategy with robust monitoring and accountability mechanisms.
7. Reframing our approach to a more strengths-based, well-being focus is important, to reduce weight-related stigma and bias and to better align with Māori and Pacific concepts of hauora. This includes strengthening the role of the health system in addressing the wider determinants of obesity, including food security, healthy environments and mental wellbeing.
8. Embedding Te Tiriti, across the health system also means growing and increasing access to Māori-led approaches to obesity prevention and treatment. This requires a shift in resourcing and decision-making power towards Māori communities, to enable the development of mana-enhancing approaches based on mātauranga and Te Ao Māori.

Equity

9. Our focus needs to be on implementing evidence-informed approaches that are likely to deliver the greatest gains for Māori and other groups experiencing inequitable health outcomes associated with obesity. We should then monitor and refine our approach to ensure the desired equitable outcomes are realised.
10. Initiatives which focus on individual behaviour change have minimal impact at a population level, are resource-intensive and usually widen inequities. Policy and legislation which addresses unhealthy food environments and the wider determinants of obesity is essential if we want to reduce current inequities.

Next steps

11. The health entities and cross-government partners will continue to develop and strengthen our collective approach to obesity prevention and management. This includes clarifying the preferred framing for a longer-term work programme(s).
12. The Public Health Agency will provide you with a briefing on '*Opportunities to restrict the marketing and advertising of unhealthy foods*' by 7 July 2023.

Recommendations

We recommend you:

- a) **Note** the current health work programme on obesity (prevention to **Yes/No** treatment).
- b) **Note** that further work will be undertaken to develop a longer-term work programme to strengthen our approach to addressing the inequitable impact of obesity and unhealthy food environments. **Yes/No**



Dr Andrew Old
**Deputy Director-General
Public Health Agency**

Date: 16 June 2023

Hon Barbara Edmonds

Associate Minister of Health

Date:

ENDS.

Minister's Notes

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Appendix 1: International comparison of government-led reformulation targets

Internationally, there is a shift towards greater government involvement in setting reformulation targets

Internationally, reformulation targets for sodium, sugar, and less commonly saturated fat, have been developed to encourage reformulation of manufactured foods to reduce population intakes of these nutrients. There are currently a variety of approaches used for setting reformulation targets, including variations in:

- types of targets (compositional limits, sales weighted average, relative reduction, simple average)
- regulatory approach (mandatory versus voluntary)
- number of food categories targeted
- the level targets are set at.

Most countries, including New Zealand, have voluntary reformulation targets, where the food and drink industry are encouraged to voluntarily reformulate certain food products with or without government leadership. New Zealand has non-governmental, organisation-led reformulation targets.

The Heart Foundation administers the food reformulation programme in New Zealand (funded by Te Whatu Ora). The programme includes 37 sodium reduction targets, 13 sugar reduction targets and one saturated fat reduction target across 41 food categories/subcategories.

A number of countries have moved towards greater government involvement in reformulation, to better address diet-related health outcomes. Countries with voluntary government-led reformulation targets include Australia, the United Kingdom, the United States, and Canada. The World Health Organisation (WHO) has noted the United Kingdom's salt reduction programme as world leading.

Mandatory compositional limits are prescribed limits on the amount of a nutrient in a particular food or beverage and tend to be implemented through government law or regulations. Internationally, mandatory compositional limits have been applied predominantly in relation to trans fats and sodium. There are 19 countries with mandatory limits for sodium. Half of the countries with sodium limits are solely targeted at breads, while the other half cover a wider range of foods.

New Zealand's sodium targets do not meet most of the WHO's global benchmarks for sodium

Internationally, reformulation activities predominantly focus on sodium reformulation. In 2021, the WHO established a set of global benchmarks for sodium for a wide range of food categories. The benchmarks are based on the lowest value for each food category from existing national or regional targets world-wide. For the food categories where New Zealand has sodium targets, the majority did not meet the WHO benchmark for sodium. New Zealand's sodium targets also cover fewer WHO food categories than the United Kingdom, United States, and Canada.

Comparing saturated fat targets internationally is challenging due to limited available examples

The Australian Food Regulation Standing Committee's review noted that it is difficult to compare saturated fat reformulation targets due to the limited examples available.

New Zealand's sugar targets cover a smaller range of food and drinks than international comparators

New Zealand has fewer sugar targets which cover a smaller range of food products compared to the United Kingdom and the United States.

New Zealand's sugar target levels are in line with Australia's targets and are lower than those set in the United States. It is difficult to compare New Zealand with the United Kingdom as different types of targets are used by each country.

Of note, New Zealand has not set sugar targets for sugary drinks, which are a key contributor to sugar intakes in New Zealand. Internationally, taxes on the sugar content of sugar-sweetened beverages are in place in a number of countries. This can encourage manufacturers to reduce the sugar content in their beverages to minimise tax payable.

Appendix 2: Current initiatives relevant to obesity prevention and treatment

	Legislation	Policy	Commissioning / community action	Monitoring and evaluation
Current activity	<p>Briefing on reducing junk food marketing and advertising – includes non regulatory actions (PHA)</p> <p>Updated review on the evidence for a sugar sweetened beverages tax/levy (MOH)</p>	<p>Public Health Advisory Committee review of the food system, due Feb 2024 (PHAC)</p> <p>Shared work programme and position statement on healthy food environments (PHA, TAWO + TWO)</p> <p>Implementation of Physical Activity and Play Plan (SNZ + cross-govt)</p> <p>Implementation of Te Whatu Ora food and drink policy (NPHS)</p> <p>Bariatric Surgery Pathway Redesign, S.Auckland (TWO)</p> <p>Primary care transformation programme aimed at improving access to culturally responsive, whānau centred care (TWO + TAWO)</p> <p>Development of a Diabetes Action Plan (TWO)</p> <p>Modernisation of the trans-Tasman food regulation system (MPI)</p>	<p>Delivery of Healthy Families NZ in 11 communities (TWO + TAWO)</p> <p>Evidence review of Māori and Pacific-led approaches to healthy food environments (PHA)</p> <p>Growing Māori and Pacific provider capacity (TAWO + TWO)</p> <p>Pacific Budget 22 diabetes initiative – inc. community-led initiatives and trialling use of Semaglutide, weight-loss medication (TWO)</p> <p>BBM – ‘From the Couch’ initiative (TWO)</p> <p>Green prescriptions and Active Families and other nutrition, breastfeeding, sleep and physical activity initiatives and resources (TWO)</p> <p>Healthy Active Learning initiative (NPHS, MoE, SNZ)</p> <p>Ka Ora Ka Ako (school lunches) and Fruit in Schools programmes (MoE + NPHS)</p>	<p>Evaluation of Healthy Families NZ (TWO)</p> <p>Evaluation of BBM programme (TWO)</p> <p>Whakamaua Dashboard – diabetes complications (MoH)</p> <p>New Zealand Health Survey (MoH)</p> <p>B4 School Checks (TWO)</p>
Opportunities (in the next 6mths)		<p>Ensure obesity and healthy environments are prioritised in the Pae Ora Strategies and Government Policy Statement (MoH)</p> <p>Development of a national plan/strategy on food environments / obesity / nutrition</p> <p>Strengthen our cross-agency approach to food reformulation (PHA, TWO + MPI)</p> <p>Update and implement weight management guidelines in primary care (TWO)</p> <p>Support progress on Healthy Drink Only Policy for schools (MoE)</p> <p>Ministerial support for broader initiatives aimed at improving food security</p>	<p>Review of existing nutrition, breastfeeding, sleep and physical activity initiatives and resources to ensure alignment with health system reforms (TWO)</p> <p>Strengthen support for community-led and local govt action on food environments (NPHS + TAWO)</p>	<p>s 9(2)(f)(iv)</p> <p>Strengthen the monitoring of prevention activity through the Government Policy Statement (MoH)</p>

Briefing

Setting the aggregate expenditure figure for 2023-2024 levies for alcohol-related purposes

Date due to MO:	21 March 2023	Action required by:	22 March 2023
Security level:	IN CONFIDENCE	Health Report number:	2023021815
To:	Hon Dr Ayesha Verrall, Minister of Health		
Consulted:	Te Whatu Ora - Health New Zealand Te Aka Whai Ora – Māori Health Authority The Treasury		

Contact for telephone discussion

Name	Position	Telephone
Dr Andrew Old	Deputy Director-General, Public Health Agency, Te Pou Hauora Tūmatanui	s 9(2)(a)
Jane Chambers	Group Manager, Public Health Policy & Regulation, Public Health Agency, Te Pou Hauora Tūmatanui	s 9(2)(a)

Minister's office to complete:

- | | | |
|---|------------------------------------|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Decline | <input type="checkbox"/> Noted |
| <input type="checkbox"/> Needs change | <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn | |

Comment:

Setting the aggregate expenditure figure for 2023-2024 levies for alcohol-related purposes

Security level: IN CONFIDENCE **Date:** 21 March 2023

To: Hon Dr Ayesha Verrall, Minister of Health

Purpose of report

1. This paper provides you with advice to determine the aggregate expenditure figure required for setting the 2023/24 levies for alcohol-related purposes (the alcohol levy), under the Pae Ora (Healthy Futures) Act 2022 (Pae Ora Act). Please note this is the first year the alcohol levy will be set and allocated under the Pae Ora Act, having previously been set under the New Zealand Health and Disability Act 2000.
2. The Ministry seeks your decision for the total aggregate figure for the 2023/24 financial year after consultation with the Minister of Finance.

Recommendations

We **recommend** you:

- a) **Note** this is the first year the alcohol levy setting process will occur under the Pae Ora Act, and that the context for application of the levy funds is now broader than when previously allocated to Te Hīringa Hauora – Health Promotion Agency, under the New Zealand Health and Disability Act 2000. **Noted**
- b) **Note** the aggregate figure options set out in this briefing are informed by interim recommendations from an independent review of the levy being carried out by Allen + Clarke in partnership with NZIER. **Noted**
- c) **Note** the proposed aggregate levy options are informed by the cost of committed and planned alcohol harm-reduction work programmes identified by the health agencies. This briefing indicates the key areas of focus of those work programmes. **Noted**
- d) **Note** that ongoing allocations across those work programmes will be decided by the cross-agency Shared Public Health Leadership Group once the total alcohol levy fund has been confirmed. **Noted**
- e) **Note** that the Public Health Agency, Te Whatu Ora and Te Aka Whai Ora have worked in partnership to commission and contribute to the external review **Noted**

s 9(2)(g)(i)

- f) **Indicate** your preferred option in this paper before consulting with the Minister of Finance to provide the Ministry with some early guidance: **Yes/No**
- 1) Status quo
 - 2) CPI adjustment
 - 3) increase to \$16 million
 - 4) Indicate another option.
- g) **Agree** to consult with the Minister of Finance to obtain concurrence as to your preferred option for the aggregate expenditure figure for 2023/24. **Yes/No**
- h) **Determine** the aggregate expenditure figure for 2023/24 and sign the letter attached as Appendix One seeking the Minister of Finance's agreement to this figure, by 22 March 2023, for his response by 29 March 2023. **Yes/No**



Dr Diana Sarfati
Director-General of Health
Manatū Hauora
Date: 21 March 2023

Hon Dr Ayesha Verrall
Minister of Health

Date:

Setting the aggregate expenditure figure for 2023-2024 levies for alcohol-related purposes

Background / context

3. The Pae Ora (Healthy Futures) Act 2022 (Pae Ora Act) allows for levies to be imposed under section 101 of the Act for the purpose of enabling Manatū Hauora (the Ministry) to recover costs it incurs in addressing alcohol-related harm, and in its other alcohol related activities.
4. Setting the levies is an annual process, previously carried out under the New Zealand Public Health and Disability Act 2000, that includes the Ministry providing you with advice on the levy amount and the process to be followed.
5. The first step in setting the alcohol levy is for you to determine an 'aggregate expenditure figure' and seek the agreement of the Minister of Finance. This figure is the total amount considered reasonable to enable the Ministry to recover the costs of health-related work programmes to address alcohol harm, and other alcohol-related activities in the coming year.
6. The aggregate expenditure figure is then used to calculate the portions of the alcohol levy that is payable by alcohol producers and importers of different classes of alcohol.
7. The levies must be in place by 1 July 2023. Therefore, decisions need to be made now about the aggregate expenditure figure for the purposes of calculating the alcohol levy.
8. The Ministry is seeking your view, in consultation with the Minister of Finance, on what you consider is the appropriate total aggregate expenditure option for health-led alcohol harm reduction work programmes for the 2023/24 year, prior to completing the levy calculations.
9. s 9(2)(g)(i)
[REDACTED]
10. Given the changed context, at the time Te Hiringa Hauora was disestablished, and its functions transferred into the Health Promotion Directorate of the National Public Health Service (1 July 2022), it was agreed that a review of the levy would be carried out. This was to review the total aggregate figure (which has remained at the same level for around 10 years - approximately \$11.5 million) and to ensure the alcohol levy is allocated across agreed priority areas under the wider Pae Ora context.
11. External independent reviewers were commissioned in late January 2023, and Phase 1 of the review that began in early February 2023, is nearly complete. We have received the interim review recommendations from Phase 1, to inform the levy setting process for this year. The interim report prepared by the reviewers Allen + Clarke, includes economic analysis and review of the levy settings in partnership with NZIER.

12. Phase 2 of the review, with more in-depth stakeholder engagement and further analysis, is due to be complete by November 2023 and will inform the 2024/25 alcohol levy setting process, and subsequent financial years.

Determining the Levy

13. The process for determining the alcohol levy is set out in Schedule 6 to the Pae Ora Act.
14. The first step in the process is to set, with the concurrence of the Minister of Finance, the aggregate expenditure figure that would be reasonable for the Ministry to spend during the year 2023/24 in addressing alcohol-related harm and in meeting programming costs that are attributable to alcohol-related activities. The Ministry, Te Aka Whai Ora, Te Whatu Ora, and New Zealand Customs Service have all contributed to providing you with the advice set out in this paper.
15. Once the total aggregate figure has been confirmed, the Ministry then uses data from the New Zealand Customs Service to determine the distribution of the aggregate levy across 6 classes of alcohol. The Ministry will then provide you with further advice on the alcohol levy rates across the 6 classes of alcohol.
16. Once the levies have been confirmed, an Order in Council and a Cabinet Paper will be prepared for you to seek Cabinet's agreement to submit the Order to the Executive Council.
17. The Ministry will also prepare letters to be signed by you and sent to key alcohol industry stakeholders of the levy, at the same time as the alcohol levy Order is notified in the *New Zealand Gazette* (at least 28 days prior to the Order coming into force on 1 July 2023).

Consultation with the Minister of Finance

18. Due to the time constraints for the alcohol levy review and the necessity of receiving the interim recommendations to inform this year's levy setting advice, there will be a one week consultation period with the Minister of Finance to seek agreement for your selected option.
19. The Ministry has previously provided a timeline for the overall statutory levy setting process to your office, and have provided confirmation for the 1 week consultation period.
20. We are also working closely with our Treasury colleagues to ensure they are able to advise the Minister of Finance appropriately prior to your consultation with him.
21. Due to the nature of how the alcohol levy funding currently impacts the 3 health entities differently, we have not provided a collective preferred option. We have set out the preferred option of each agency (below) and seek an indication of your preferred option and then your decision once you have received concurrence from the Minister of Finance.

Alcohol work programme currently funded by the levy

22. Since 1 July 2022, the Health Promotion Directorate of the National Public Health Service in Te Whatu Ora has continued to deliver the levy funded alcohol work programme developed by the now disestablished Te Hiringa Hauora (Health Promotion Agency).

23. Areas of current investment draw upon New Zealand and international evidence and the National Alcohol Harm Minimisation Framework. This includes alcohol research, supporting community and whānau projects, provision of information and resources for communities (digital and non-digital), addressing harms from alcohol advertising in settings; supporting policy advice (e.g., Kaupapa Māori health needs assessment), community action, and Pasifika, youth and maternity alcohol harm minimisation programmes.
24. In addition, in the 2022/23 financial year, a portion of the alcohol levy funded specific components of the alcohol-policy work programme within the Public Health Agency at the Ministry, including the cost of carrying out the Alcohol Levy Review.
25. The Health Promotion Directorate's key areas of focus for the 2023/24 financial year include ongoing progress of Te Tiriti and equity focused programmes:
- a. Supporting targeted community led partnership programmes
 - b. Research and evaluation of programmes for alcohol harm minimisation
 - c. Kaupapa Māori regulatory policy change.
26. The 3 health entities will work together to finalise allocation priorities for the 2023/24 year. However, it is likely that most funding portions will remain in the currently committed programmes of work whilst Phase 2 of the review is completed. The exception to this, being any new portion of funding - should you choose an option to increase the total levy.
27. s 9(2)(j) and will continue to work together to better understand cost drivers, and programme effectiveness which will help inform the future direction of these work programmes. Phase 2 of the review will greatly inform this work.

28.

Aggregate expenditure figure

Allen+ Clarke Interim Report Review Options

29. The aggregate expenditure figure has remained relatively static over the last decade as successive governments have not increased it.
30. The Allen +Clarke rapid review recommendations have presented 3 main options to support the setting of the aggregate figure for the 2023/24 financial year.
31. Option 1 is to maintain the alcohol levy at the current quantum which results in no funding for expansion of current work programmes but allows the full review and analysis to be completed before making any changes to the alcohol levy quantum.
32. Option 2 is based on a CPI adjustment to account for the last 9 years of no relative increase. Please note, none of the health agencies support this option for the reasons set out below. Option 3 has scaled aggregate amounts to select from. An overview of each option is set out in the table below.

Option (Aggregate expenditure dollar (\$) amount)	Overview	Advantages	Key Risks
<p>1. Status Quo (\$11.5 million)</p>	<p>This option sees the total levy amount remain the same, and any funding of programmes that the NPHS currently have externally committed will remain in place. s 9(2)(f)(iv), s 9(2)(j)</p>	<p>Straight forward in terms of currently committed external funding.</p> <p>Allows the full external alcohol-levy review process to be completed before any adjustment decision is made. This will include in-depth engagement with stakeholders and communities to help increase transparency of the levy spending and agreed priorities, for effectiveness of spend and impact beyond June 2024</p> <p>Allows committed funding and programmes to continue while the broader analysis of the functionality of the levy as a cost recovery mechanism is completed in Phase 2 of the review. s 9(2)(g)(i)</p>	<p>Perception of minimal effort to tackle alcohol-related harm in the short-term.</p> <p>Does not acknowledge or provide for increased costs of current programmes</p> <p>Both community and industry stakeholders have expressed ongoing concern and frustration at lack of visibility for how current levy fund is spent, and have expressed a desire for clear evidence of programme effectiveness</p> <p>s 9(2)(g)(i)</p>

<p>2. CPI increase (\$21.5 million)</p>	<p>Adjustment based on the previous nine years of no relative change</p>	<p>Clear and proven method for relative adjustment.</p> <p>Enables existing work programme funding to be maintained in real terms.</p> <p>New programmes can be funded due to CPI increase being backdated.</p>	<p>Assumes original aggregate expenditure sum was correct.</p> <p>Complex to implement (adopting appropriate inflation measure; backdating to last major adjustment of levy).</p> <p>Increase is not based on costed programmes and assumes there are new costed programmes waiting for funding.</p> <p>Almost doubles the total levy fund before the complete analysis and review of the levy, including the in-depth stakeholder engagement is complete.</p> <p>Difficult to justify to stakeholders due to above perceived lack of visibility of current fund.</p>
<p>3. Fixed \$ increase (3 sub-options: \$16 million, \$21 million, or \$26.5 million)</p>	<p>Fixed increase based on actual cost of a set of recommended evidence-based investments. These investments include expansion of existing programmes where the evidence of effectiveness was available and new interventions based on international research, New Zealand research and feedback from communities.</p>	<p>Allows for more innovation in context of Pae Ora Act.</p> <p>May enable increased research and data collection without jeopardising existing work programmes</p> <p>Enables further community engaged planning for use of new funding, without jeopardising existing work programmes.</p> <p>Acknowledges lost opportunity costs</p>	<p>Raises the ongoing issue of effectiveness and impact of funded work programmes as industry and communities will require justification for the increase.</p> <p>Needs to be justifiable in context of Pae Ora Act.</p> <p>Significant increase in total levy fund as a proportion, before the complete analysis and review of the levy, including the in-depth</p>

		associated with the status quo option.	stakeholder engagement is complete. Therefore could be seen as pre-emptive of review outcomes.
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Discussion and agency preferred options

33. A cross health-agency working group (the Alcohol Levy Working Group – ALWG) was formed in November 2022 to work in partnership to procure external reviewers and to work together on the ongoing contribution to the review, (as well as the implementation stage once the review is complete).
34. The ALWG has met regularly with the reviewers, has received the draft recommendations and the draft report, and worked to analyse and understand the different options presented. s 9(2)(g)(i)

Allen + Clarke and NZIER's preferred option

35. As set out the Interim Report Summary and Recommendations (Appendix 2), the reviewers have noted that *"Given the constraints within phase 1 of this review we lack the evidence to be able to comfortably recommend moving beyond the status quo for the 2023/24 financial year. Phase 2 of this review will provide the opportunity to better engage with communities and consider fundamental questions relating the role, scope, and purpose of the levy. Answers to these questions are needed to fully assess the appropriate levy quantum."*
36. They have also stated that *"Any increase in line with Option 2 or 3 proceeds on the presumption that the current allocation is appropriate and consistent with Pae Ora and expectations from communities. Although there may be elements of existing activities that meet these criteria, we are not in a position at this stage of the review to support that conclusion."*
37. The reviewers have made the following recommendations regarding the total quantum for the alcohol levy for the next financial year:
 - a. *The status quo remains for 2023/24*
 - b. *No commitments of levy funding are made either internally or externally beyond June 2024 until Phase 2 of this review is complete and any recommendations regarding the future, scope and application of the fund are considered.*

s 9(2)(g)(i)

s 9(2)(g)(i)

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Financial Implications

59. Any increase in the levy quantum will have financial implications. Discussion with The Treasury has indicated that an increase would not be able to be considered by Cabinet between 11 April and 18 May 2023 due to the Budget Moratorium. This means that the Order in Council would not be able to come into force on 1 July 2023 as required by the Pae Ora Act 2022.
60. If an increase is the chosen option, in order to meet the statutory timeline, a waiver of the 28 day Rule would be sought, to enable the Order in Council to be in force by July 2023, with a guarantee that timing will be reviewed to avoid this situation in future years.

Equity

61. Evidence indicates that Māori are more likely to be impacted by alcohol-related harm compared to other New Zealanders. The Alcohol Levy Review has been commissioned with an explicit focus on assessing the impact and effectiveness of current levy spending on Māori communities and has sought recommendations for how to prioritise levy funding to improve outcomes for Māori.
62. This aspect of the review will be explored in greater depth during Phase 2 of the review, however based on initial recommendations from Phase 1, should you select an increase in the levy as your preferred option for the next financial year, any new funding will be targeted to priorities agreed between the three agencies as envisaged under Pae Ora, and in particular to 'by Māori, for Māori' programmes.

Next steps

63. A proposed letter seeking the Minister of Finance's concurrence with your preferred aggregate expenditure option is attached as Appendix 1. Once you have selected your preferred option, please sign, and send the letter to the Minister of Finance by 22 March 2023.
64. Ministry officials are available to provide any further advice you require to support your decision making process.
65. The final decision from you on the aggregate levy figure for the 2023/24 financial year is due no later than the end of the day on 29 March 2023.

Document 8

66. This will allow time for the Ministry to proceed with the detailed levy calculations and provide you with further advice on the portions of the levy that will be payable by alcohol producers and importers on different classes of alcohol.
67. Once the levies have been confirmed, an Order in Council and a Cabinet Paper will be prepared for you to take to LEG Committee on 4 May 2023 (or the subsequent LEG Committee after the Budget Moratorium has ended, if you select to increase the levy).

ENDS.

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Appendix 1: Letter to the Minister of Finance

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Appendix 2: Allen + Clarke Interim Review Summary and Recommendations

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Briefing

Determining the 2023-2024 levies for alcohol-related purposes.

Date due to MO: 5 April 2023

Action required by: 6 April 2023

Security level: IN CONFIDENCE

Health Report number: H2023022622

To: Hon Dr Ayesha Verrall, Minister of Health

Consulted: Te Whatu Ora - Health New Zealand: ☒
 Te Aka Whai Ora – Māori Health Authority: ☒
 The Treasury: ☒
 New Zealand Customs Service: ☒

Contact for telephone discussion

Name	Position	Telephone
Dr Andrew Old	Deputy Director-General, Public Health Agency	s 9(2)(a)
Jane Chambers	Group Manager, Public Health Policy & Regulation, Public Health Agency	

Minister's office to complete:

☐ Approved

☐ Decline

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by events

☐ See Minister's Notes

☐ Withdrawn

Comment:

Determining the 2023/24 Levies for alcohol-related purposes

Security level: IN CONFIDENCE **Date:** 5 April 2023

To: Hon Dr Ayesha Verrall, Minister of Health
Hon Grant Robertson, Minister of Finance

Purpose of report

1. This paper provides you with advice on the final calculations for the 2023/24 levies for alcohol related purposes and seeks your final determination of the aggregate levy figure for the 2023/24 financial year, and your approval of the levies payable on the six classes of alcohol for 2023/24.
2. This report discloses all relevant information and implications.

Comment

3. Under the Pae Ora (Healthy Futures) Act 2022 (Pae Ora Act) levies may be imposed to enable the Ministry of Health (the Ministry) to recover costs it incurs in addressing alcohol-related harm, and in its other alcohol related activities.
4. The Ministry acknowledges there is significant work required to reduce alcohol-related harm and influence drinking behaviours in New Zealand. The Ministry is working with Te Aka Whai Ora and Te Whatu Ora to develop a comprehensive alcohol-harm reduction strategy and related work programmes. This will also include working closely with the Ministry of Justice on matters that relate to the Sale and Supply of Alcohol Act 2012.
5. As previously advised, an independent review of the alcohol levy is being undertaken by Allen + Clarke. Progress on the review so far, and a summary of the interim report from Allen + Clarke, informed our advice to you regarding the options for the total aggregate expenditure for alcohol-harm related work to be funded by the levy in 2023/24. Phase 2 of the review and the complete report and fulsome recommendations will be completed by November 2023.
6. You and the Minister of Finance have agreed to the aggregate expenditure figure for the 2023/24 levies being set at approximately \$11.5 million which is in line with previous years (HR 2023021815 refers).
7. Clause 2(2) of Schedule 6 to the Pae Ora Act requires that you next determine the aggregate levy figure. The Ministry recommends you determine the aggregate levy figure at \$11.5 million being the same amount as the aggregate expenditure figure you agreed.
8. The subsequent step in the levy setting process is for you to determine the amounts of levies payable for the six classes of alcohol (labelled A through F) outlined in the table below. The Ministry used the aggregate levy figure, together with data from the New Zealand Customs Service, to calculate the distribution of levies across the six classes of

alcohol for the 2023/24 year. See Appendix 1 for a detailed explanation of the process as set out in clause 3(2) of Schedule 6 to the Pae Ora Act.

Class of Alcohol (% ABV range)	Method of determining rate of alcohol in class	Rate of alcohol applied for the purpose of setting the levy	Amount of levy (dollars per litre)	Percentage increase/(decrease) from 2022/23 dollars per litre
A (1.15-2.5% per litre)	Schedule	1.5%	0.005056	-10.63%
B (2.5-6% per litre)	Variable	4.65%	0.015665	-3.94%
C (6-9% per litre)	Schedule	8.00%	0.026967	-10.63%
D (9-14% per litre)	Schedule	10.00%	0.033708	-10.63%
E (14-23% per litre)	Variable	16.68%	0.056214	-12.68%
F (more than 23%)	Variable	37.78%	0.127345	-13.21%

Next steps

9. An Order in Council will be prepared for you to submit to the Executive Council once your decision in relation to recommendations (a) and (b) below are received.
10. The draft Cabinet paper and Talking Points attached as Appendices 2 and 3 will be finalised to reflect your decisions and the details of the Order in Council as drafted.
11. A final Cabinet paper will be provided for your submission to Cabinet for consideration at the Cabinet Legislation (LEG) Committee on 4 May 2023.
12. Once the Order in Council has come into effect the letters to key alcohol industry stakeholders, attached as Appendix 4 for your signature, will be sent.
13. The next steps are as set out in the table below:

Steps	Proposed timings
Ministerial consultation on draft Cabinet paper	11 April to 21 April 2023
The Ministry finalises the Cabinet paper	22 April to 27 April 2023
Minister's office lodges finalised paper with Cabinet office	By 10 am 28 April 2023
Paper considered by LEG Committee	4 May 2023
Paper Confirmed by Cabinet	8 May 2023

Recommendations

We recommend you:

a) **Determine** that the aggregate levy figure for 2023/24 is \$11.5 million. Yes/No

b) **Determine** the levies payable on the six classes of alcohol for 2023/24 as:

Class	Rate applied	Amount of Levy (\$ per L)
A	1.5%	0.005056
B	4.65%	0.015665
C	8.00%	0.026967
D	10.00%	0.033708
E	16.68%	0.056214
F	37.78%	0.127345

c) **Note** the draft Cabinet paper included as Appendix 2 and the draft talking points at Appendix 3 will be finalised for Cabinet Legislation Committee consideration once the Order in Council has been drafted and Ministerial consultation has concluded. Noted

d) **Note** that it is anticipated that the Cabinet paper included in draft form at Appendix 2 is submitted for consideration at the 4 May 2023 Cabinet Legislation Committee meeting. Noted

e) **Sign** the attached letters to key alcohol industry stakeholders included as Appendix 4. Yes/No



Dr Andrew Old
Deputy Director-General
Public Health Agency | Te Pou Hauora
Tūmatanui

Date: 31 March 2023

ENDS.



Hon Dr Ayesha Verrall
Minister of Health

Date:

10/4/23

Appendix 1: Process of determining levies payable as per clause 3 of Schedule 6 to the Pae Ora Act

Clause 3: Minister to determine amount of levy for each class of alcohol

- (1) After determining the aggregate levy figure for any financial year, the Minister must determine, in accordance with subclause (2) [of Schedule 6], the amounts of the levies payable under clause 5, [of Schedule 6] in respect of each class of alcohol, in order to yield an amount equivalent to the aggregate levy figure.
- (2) The process for determining the amounts of levy is as follows:
 - (a) *Step 1* — for each class of alcohol, determine the total number of litres of that class of alcohol that was imported into or manufactured in New Zealand during the preceding statistical year
 - (b) *Step 2* — for each class of alcohol, multiply the result of step 1 by the appropriate rate, as set out in the table in Schedule 7. This gives the (nominal) total number of litres of alcohol for each class of alcohol
 - (c) *Step 3* — for each class of alcohol, divide the number of litres of alcohol for that class by the total number of litres of alcohol for all classes. This gives the proportion of the aggregate levy figure that is to be borne by that class of alcohol in the next financial year
 - (d) *Step 4* — for each class of alcohol, multiply the result of step 3 by the aggregate levy figure. This gives the amount of levy to be borne by each class of alcohol in the next financial year
 - (e) *Step 5* — for each class of alcohol, divide the result of step 4 by the result of step 1. This gives the amount of levy payable on each litre of alcohol of that class in the next financial year.
- (3) If a rate for a class of alcohol is described in the table in Schedule 7 as a variable rate, the Minister must-
 - (a) determine the rate to be applied to that class of alcohol
 - (b) in making that determination, use the method for determining variable rates in Schedule 7.

[Schedule 7 to the Pae Ora Act]**Classes of alcohol and rates for each class**

Class	Legal definition of class <i>Alcohol which, if imported, would be classified within the following tariff items</i>	Indicative description <i>Percentage of alcohol by volume in most items in class</i>	Rate
A	2203.00.12, 2206.00.37, 2208.70.30, 2208.90.62	More than 1.15% but not more than 2.5%	1.5%
B	2203.00.22, 2203.00.31, 2203.00.39, 2206.00.47, 2208.70.40, 2208.90.68	More than 2.5% but not more than 6%	Variable
C	2206.00.57, 2208.70.50, 2208.90.72	More than 6% but not more than 9%	8%
D	204.10.01, 2204.10.18, 2204.21.18, 2204.22.90, 2204.29.90, 2205.10.19, 2205.10.38, 2205.90.19, 2205.90.38, 2206.00.08, 2206.00.68, 2208.70.60, 2208.90.78	More than 9% but not more than 14%	10%
E	2204.21.13, 2204.22.19, 2204.29.20, 2205.10.12, 2205.10.33, 2205.90.12, 2205.90.33, 2206.00.17, 2206.00.78, 2208.70.71, 2208.90.06, 2208.90.85	More than 14% but not more than 23%	Variable
F	2206.00.28, 2206.00.89, 2208.20.04, 2208.20.08, 2208.20.19, 2208.20.29, 2208.30.04, 2208.30.08, 2208.30.19, 2208.40.04, 2208.40.08, 2208.40.19, 2208.50.04, 2208.50.08, 2208.50.19, 2208.60.19, 2208.60.29, 2208.60.99, 2208.70.80, 2208.90.08, 2208.90.48, 2208.90.97	More than 23%	Variable

Method for determining variable rates

For a given financial year, the variable rate for a class is the average alcohol content by volume of all the alcohol of that class that was imported into or manufactured in New Zealand in the preceding statistical year.