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24 February 2025

s 9(2)(a)

By email: s 9(2)(a)
Ref: H2025059503

Tēnā koe s 9(2)(a)

Response to your request for official information

Thank you for your request under the Official Information Act 1982 (the Act) to the Ministry of Health – Manatū Hauora (the Ministry) on 24 January 2025 for information regarding the Alcohol Levy (the levy). You requested:

"I am writing to request a breakdown all the income and expenditure collecting and distributed from the Alcohol Levy from 1 July 2014 to 30 June 2024. Please provide a detailed breakdown of all expenditure on an annual basis."

On 10 February 2025 you clarified your request to the following:

"This request is for details on information relating to how the Ministry of Health allocates funds from the alcohol levy. Please provide full details on all allocation."

Background Information: Alcohol Levy allocation from 2012 - 2022

The levy amount is reported annually and from 2012 – 2022 the total levy amount was allocated to the Health Promotion Agency (HPA) under the New Zealand Public Health and Disability Act 2000. Since the financial years (FY) 2013/14 – 2020/21, there has been little change in the size of the total levy received. It remained relatively constant between \$11.2 million and \$12 million. Information on this allocation is further outlined in the April 2023 Independent Review of the Alcohol Levy (Stage 1: Rapid Review):

www.health.govt.nz/publications/independent-review-of-the-alcohol-levy-stage-1-rapid-review.

In the FY 2022/23, following the health systems reform under the Pae Ora (Healthy Futures) Act 2022, the HPA functions were absorbed into new health entities, and the allocation of the alcohol levy was redirected to Health New Zealand – Te Whatu Ora, the Māori Health Authority – Te Aka Whai Ora, and the Ministry. Further information on this is outlined in the March 2024 Independent Review (Stage 2): www.health.govt.nz/publications/independent-review-of-the-alcohol-levy-stage-2.

Alcohol Levy allocation from June 2022 – Current

From June 2022, the allocations from the total levy for each year are now set by the Public Health Agency (PHA), within the Ministry, based on negotiations with Health New Zealand. This is based on planned work programmes and expectations of the budget, resourcing and personnel required to deliver those work programmes.

For example, in 2024/25 the total levy was split into the following appropriations:

- Stewardship of the New Zealand health system - Public health and population health leadership (The Ministry)
- Delivering Primary, Community, Public and Population Health Services (Health New Zealand)
- Delivering Hauora Māori services (Health New Zealand)

The levy expenditure for a given year is set by the Minister of Health, in concurrence with the Minister of Finance. For example, 2024/25 expenditure was set at \$16.62 million, this was the first increase of the levy since 2009. Customs then calculates the levy itself, based on its assessment of alcohol sales information from previous years to arrive at the previously set expenditure level.

In any given year, the actual levy collected will be different than the expenditure level set by the Minister of Health. This is corrected in the following financial year. For example, if the levy collected is less than expected (because of lower sales volumes perhaps), the following year's appropriations will be adjusted down by the under-collection. Over time it is expected that the levy will even out – i.e. that there will be as much over collection as there is under collection.

The levy fund for FY 2022/23 (\$11.5m) was allocated between:

- Health New Zealand, Health Promotion Directorate (\$10.52m, 91.5%)
- Ministry of Health – Public Health Agency (\$0.98m, 8.5%)

The levy fund for FY 2023/24 (\$11.5m) was allocated between:

- Health New Zealand, Health Promotion Directorate (\$8.52m, 74.1%)
- Te Aka Whai Ora (\$2.00m, 17.4%)
- Ministry of Health – Public Health Agency (\$0.98m, 8.5%)

The Ministry allocated \$0.98m to fund the Independent Review for the Alcohol Levy Stage 1 and 2, the New Zealand Institute of Economic Research (NZIER's) quantification of the costs of alcohol-related harm in New Zealand review, Fetal Alcohol Spectrum Disorder (FASD) related initiatives to inform and develop the revitalisation of the FASD Action Plan and FTE. In addition, there are annual customs charges.

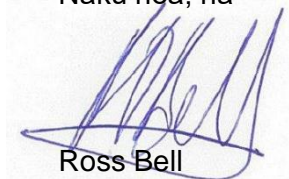
For a breakdown of allocation from Health New Zealand, you are encouraged to submit requests to their agency directly as they manage their own financial and resource allocations. They can be contacted at: h.nzOIA@tewhatauora.govt.nz.

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



Ross Bell
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Public Health Agency | Te Pou Hauora Tūmatanui