

Aide-Mémoire

Meeting with Spirits New Zealand, New Zealand Wine Growers, and Brewers Association

Date due to MO: 23 October 2024 **Date of meeting** 31 October 2024

Security level: IN CONFIDENCE **Reference:** H2024052597

To: Hon Matt Doocey, Associate Minister of Health

Consulted: Health New Zealand:

Proactive release: This **title** is proposed by the Ministry of Health for proactive release:

Contact for telephone discussion

Name	Position	Telephone
Ross Bell	Group Manager, Strategy, Monitoring and Engagement, Public Health Agency Te Pou Hauora Tūmatanui	s 9(2)(a)
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About the meeting

Purpose of meeting

- Spirits New Zealand, New Zealand Winegrowers, and Brewers Association have requested to meet with you and wish to understand the Government's plan regarding the alcohol levy and share their thoughts on how the alcohol industry may play a role in reaching specific audiences.

Details of meeting

- Thursday 31 October 2024
- 2:00-2:30pm
- Online (teams)

Attendees

- Robert Brewer (Chief Executive, Spirits New Zealand).
- Nicola Crennan (External Relations Manager, New Zealand Winegrowers).
- Dylan Firth (Executive Director, Brewers Association).

Organisation

- Spirits New Zealand is the industry body representing the spirits industry in New Zealand.
- New Zealand Winegrowers is the national organisation for New Zealand's grape and wine sector.
- The Brewers Association of New Zealand represents major brewers in New Zealand.

Ministry representatives

- Ross Bell, Group Manager, Public Health Agency (who is the senior responsible officer for alcohol policy) will attend the meeting.

Comment/ Summary:

- This aide-mémoire provides you with brief talking points and profile photos of the attendees (Appendix 1 and 2).

Background and context

1. Spirits New Zealand, New Zealand Winegrowers, and the Brewers Association of New Zealand are three alcohol industry peak bodies representing the spirits, wine and beer industry in New Zealand respectively. For example, the Brewers Association of New Zealand members DB Breweries LTD and Lion PTY LTD produce approximately 83% of beer in New Zealand and the New Zealand Winegrowers has over 600 grower members and 700 winery members.
2. The Ministry of Health (the Ministry) has previously met with these stakeholders once or twice a year, and we have recently agreed to increase the frequency of meetings to quarterly, with the previous meeting in August and future meeting in November. At the last meeting, we discussed the outcomes of the levy review, next steps after the review, and the current government priorities for the levy.

The Government Policy Statement on Health includes a focus on alcohol

3. The Government Policy Statement on Health (GPS) 2024-2027 includes a focus on accelerating action to address five non-communicable diseases (cancer, cardiovascular diseases, respiratory disease, diabetes, and poor mental health) and notes the prevention of these diseases will be achieved through addressing five modifiable risk factors (alcohol, tobacco, poor nutrition, physical activity and adverse social and environmental factors).
4. The GPS sets an expectation for a year-on-year reduction in the proportion of those aged 15 years and over who engage in hazardous alcohol consumption.

Alcohol levy and activities funded by the levy

The new alcohol levy rates were confirmed in June 2024

5. Since the health reforms in 2022, the Public Health Agency (PHA) within the Ministry of Health (the Ministry) has held the overall responsibility for the alcohol levy, including leading all policy work related to the levy, and providing monitoring and oversight of levy allocations and spending.
6. The PHA in collaboration with Health New Zealand (Health NZ) commissioned an independent review of the alcohol levy in January 2023. The final review report (completed in March 2024) informed the annual levy setting process for the 2024/25 financial year. The alcohol industry were consulted as part of this review.
7. As you are aware, on 10 June 2024, Cabinet confirmed an increase to the alcohol levy from \$11.5 million to \$16.6 million for the 2024/25 financial year. This was the first time the alcohol levy has been increased since 2009.

The levy currently funds various alcohol-harm related initiatives, including work related to Fetal Alcohol Spectrum Disorder (FASD)

8. The National Public Health Service and Hauora Māori Services with Health NZ receive the bulk of the alcohol levy allocations for operational programmes to address alcohol harm. This includes but is not limited to funding for:
 - a. community programmes to strengthen the communities' capacity and ability to drive innovative local solutions to address alcohol-related harm
 - b. health promotion and harm prevention initiatives including alcohol harm related social marketing projects and resources, and
 - c. programmes to build health service capacity for addiction prevention and brief interventions.
9. Of the current \$16.6 million raised by the alcohol levy, \$6.7 million is allocated for FASD activities through Health NZ. The priorities for this funding are:
 - a. increasing our understanding of the prevalence of FASD by initiating a targeted prevalence study
 - b. growing FASD awareness and capacity across a range of health, disability and social services, and health professionals within communities. This includes developing a micro-credential training programme, non-clinical FASD training for the community, and funding a second clinical cohort of Child Development Service professionals to undertake training based on New Zealand's FASD diagnostic guidelines, and
 - c. supporting prevention activities which support people to have alcohol-free pregnancies and reducing stigma around FASD. This includes expanding the nation-wide prevention campaign evaluation cohort and supporting an FASD awareness week campaign.
10. The revitalisation of the FASD Strategic Action Plan (the FASD Action Plan) is also well underway. The FASD Action plan will help establish a more coordinated and targeted approach to addressing FASD and increase the focus on FASD across government services, including for at risk populations. Engagement with FASD-specific community and family groups was completed at the end of August, with government agencies now developing priority actions to support FASD. The Ministry has planned to consult the alcohol industry on the draft Action Plan.
11. The PHA retains a portion of the levy for functions specific to the Ministry and which relate to and support the work of Health NZ. This includes funding for the alcohol harm reduction work programme, alcohol levy evaluation work programme, and engagement work related to the FASD Strategic Action Plan refresh.

Health agencies are working together to develop a strategic investment framework and a better understanding of the benefits of the levy-funded activities.

12. The final review report was published in June 2024 and provided several recommendations for how the levy is administered and invested.
13. Following the review, the PHA in partnership with Health NZ is currently progressing work regarding the governance of the levy and development of a strategic framework to guide levy investment decisions. Alongside this, the PHA will set up the processes required to monitor and regularly evaluate levy funded programmes.

14. As requested, you will also receive an assessment of current levy funded initiatives regarding their value for money and alignment with government priorities in December 2024.
15. A summary table of the levy regime work currently underway is provided below:

Workstream	Description
Governance structures	Cross-agency governance to agree annually the allocations of levy funds across the agencies, as well as the overall high level programme investment decisions (funding decisions for individual activities will be made by the directorates leading the work).
Strategic Investment approach	This will include investment decision criteria to assess funding proposals against. High level criteria for broad programmes of work, as well as criteria for agencies to use to make individual activity investment decisions.
Monitoring and Evaluation	Building in a cycle of on-going monitoring and evaluation of programmes. High level evaluations of broad programmes of work can be managed jointly by agencies; specific evaluations of community and provider activities will be managed by the directorates leading the work.
Assessment of all current levy funded programmes (requested by Ministers).	This is a high-level assessment to report on the value for money and alignment with government priorities of current levy funded programmes. This is to inform the 2025/26 levy setting process. Once developed, the investment criteria (referred to above) will support this assessment, which is due with Ministers December 2024.

Ross Bell
 Group Manager, Strategy, Monitoring and Engagement
Public Health Agency | Te Pou Hauora
Tūmatanui

Appendix 1: Talking points

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Appendix 2: Attendees Profiles

Robert Brewer, Chief Executive, Spirits New Zealand



Nicola Crennan, External Relations Manager, New Zealand Winegrowers



Dylan Firth, Executive Director, Brewers Association



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