

AoG Consultancy Services Order (CSO)

PART A – for Participating Agency to (client) complete			
<i>The Participating Agency (referred to as the client in Parts A-E of this CSO will complete this and email the entire form (including all Parts) to the Provider.</i>			
Date	7 February 2023	Client	Public Health Agency - Ministry of Health

Client Details			
Contact name & title	Kate Taptiklis, Principal Policy Analyst	Contact phone & e-mail	kate.taptiklis@health.govt.nz
Client reference		Project Name	Alcohol Levy Review

Provider Details			
Provider name	Allen + Clarke	Contact phone & e-mail	s 9(2) @allenandclarke.co.nz s 9(2)(a) s 9(2) @allenandclarke.co.nz s 9(2)(a)
Nominated Personnel	s 9(2)(a) s 9(2)(a) 	Project name	Alcohol Levy Review
Sub-category	Policy, research and development		

Purpose and any background information	
<p>A levy is raised on alcohol produced or imported for sale in Aotearoa New Zealand and is collected by Customs NZ. The levy's purpose, as set out in section 101 of the Pae Ora (Health Futures) Act 2022, is to enable Manatū Hauora (the Ministry of Health) to "recover costs it incurs in addressing alcohol-related harm, and in its other alcohol-related activities". The current aggregate levy figure is approximately \$11.5 million per year, with minor fluctuations annually depending on alcohol production and sales. The relative total collected has not been increased in over ten years.</p> <p>The alcohol levy is hypothecated (directed to a specific use). Excise tax is also collected on all alcohol imported into, or manufactured in New Zealand, but is not hypothecated. Excise tax goes directly to core Crown revenue</p>	

for cost recovery. Total excise tax collected on alcohol is approximately \$1.2 billion annually. The cost of all alcohol-related harm in New Zealand has been estimated at approximately \$7.8 billion annually.

Prior to the commencement of the Pae Ora (Healthy Futures) Act 2022, Te Hiringa Hauora (formerly the Health Promotion Agency) received the total levy fund under the New Zealand Public Health and Disability Act 2000, for the purpose of enabling the agency to recover costs incurred in addressing alcohol-related harm, and in its other alcohol-related activities. The functions, duties, and powers of Te Hiringa Hauora included:

- promoting health and wellbeing and encouraging healthy lifestyles
- preventing disease, illness, and injury
- enabling environments that support health and wellbeing and healthy lifestyles
- reducing personal, social, and economic harm.

The Pae Ora (Healthy Futures) Act 2022 repealed the alcohol levy provisions of the New Zealand Public Health and Disability Act 2000 and disestablished Te Hiringa Hauora, placing it within the National Public Health Service (NPHS, part of Te Whatu Ora), as a shared service for Te Whatu Ora and the Te Aka Whai Ora (Māori Health Authority). This change places the levy within a different context, as the scope of the costs incurred by Manatū Hauora under the Pae Ora Act are wider than those previously identified for Te Hiringa Hauora.

The levy was previously paid directly to Te Hiringa Hauora, however under the Pae Ora Act, the levy is now paid to the Ministry and a Vote Health appropriation currently distributes the levy across the Ministry and Te Whatu Ora. Alcohol harm reduction programmes funded by the levy will continue to be delivered nationally, regionally and locally while the review is undertaken.

It is timely to conduct a comprehensive review of the levy to ensure the ongoing collection and allocation of the levy reflects the new Pae Ora context.

The independent review of the Alcohol Levy will cover the adequacy of the levy to fund ongoing and established programmes, and any resources for additional alcohol work that may be required, given the new context under the Pae Ora Act. The findings will also help confirm the ongoing management of the levy.

It is proposed that the review be undertaken via a key milestones approach. This approach allows for immediate recommendations to be made by the reviewer to inform the 2023/24 financial year, prior to the conclusion of the complete review. These immediate recommendations will be based on the conclusion of the first milestone of the review, (information gathering, review of current state, current alcohol environment), in time to inform the setting and allocation of the levy for the 2023/24 financial year.

Subsequently, the more in-depth stage of the review will continue, with additional milestones including substantial stakeholder engagement, review of current programmes, and analysis of potential future state. This stage will take several months to complete.

A final report with recommendations is to be completed in time for findings to inform levy setting decisions for the 2024/25, and subsequent financial years

The Public Health Agency (Ministry of Health) is responsible for the commissioning and management of the review, in conjunction with Te Aka Whai Ora and Te Whatu Ora. A cross-agency working group (The Alcohol Levy Working Group – ALWG) has been formed to manage the procurement and ongoing contribution to the review. It is this group that the successful supplier will report to and review findings will be presented to.

Specific questions / instructions for the provider

A summary of our requirements is strong economic evaluation skills, an understanding of the alcohol harm minimisation environment, and Māori knowledge/capabilities, or partners with the appropriate skills and competencies. Additionally, experience undertaking previous reviews of government special funds or levies would be an advantage.

The key objective of this procurement is to provide appropriate and relevant information to inform the ongoing setting of the levy, as well as the allocation and management of the levy. We require the contract to commence by 3 February 2023 at the latest.

The requirements expected of the suppliers under the anticipated contract are to undertake a comprehensive review of the levy, reporting on each key milestone, and providing recommendations for:

- setting the levy for 2023/24 financial year, and out years
- levy allocations,
- most effective use of levy funds for maximum harm minimisation, in particular for Māori,
- potential future state of the levy and the programmes it funds.

The final methodology for the review will be agreed with the ALWG and the successful supplier, including risk mitigating factors such as any alcohol industry advocacy and how this is managed throughout the review.

We are seeking proposals that set out the approach, methodology, experience, capability and capacity of the successful provider to carry out the independent review of the Alcohol Levy and can give confidence that the scope of the review (detailed below) will be delivered within the agreed timeframe, noting the initial report with interim recommendations is required no later than mid-March 2023.

The involvement of suitably skilled and experienced Māori researchers and analysts who bring a Māori perspective to all aspects of the review, including recommendations, is a requirement.

If the supplier cannot demonstrate these skills and capabilities are held internally, they will need to demonstrate the ability to partner with another relevant supplier to demonstrate they have the right mix of skills to undertake the review, and to ensure the final report includes the Māori context within recommendations.

Review scope and key milestones:

- **Review of current state (anticipated timeframe 4-6 weeks):**
- Consider and evaluate the following:
 - the current evidence on the cost of alcohol related harm (summary)
 - The total levy fund collected and how that compares with other levies collected within Aotearoa.
 - how does the total fund collected compare to alcohol levies collected in other relevant jurisdictions?
 - the total levy fund and its impact on alcohol harm generally (noting the total levy has not been increased in 10 years, so also consider adjusting for inflation etc)
 - the current focus of levy funding (eg mainly focussed on health promotion with some activity supporting industry compliance),
 - considering the Māori dimension as far as possible throughout this stage eg. what percentage of the current focus of levy funding takes a 'for Māori, by Māori approach'?
 - Broadly speaking, what is the potential positive impact of an increase in the levy on Māori and other communities?
 - Identify any significant gaps in funding, or areas for expenditure that could be prioritised in 2023/24.
- Provide analysis (that includes consideration of inflationary adjustments/CPI etc) on whether the total levy fund should be increased for the 2023/24 financial year or not. If an increase is recommended provide a total fund increase, plus a breakdown of what that would look like across different alcohol products.
- Provide interim recommendations (due mid-March at latest) to inform the levy setting for 2023/24 financial year pending the full review findings.

(The following milestones are collectively anticipated to take 9 months)

- Consider and evaluate the following:
 - The levy setting formula, (eg currently alcohol products assessed by class and bands related to alcohol by volume. In some cases, it applies a uniform rate across alcohol types, regardless of actual alcohol content),
 - how does the formula/model of setting and collection of the alcohol levy compare with other levies and duties collected in the New Zealand context – eg gambling levy, ACC levies etc
 - how does the current model compare to alcohol levy collection in other comparable jurisdictions?
- *Costs associated with alcohol-related harm*
 - Identify and quantify the range of costs of alcohol related harms experienced by each of the health, social and justice sectors, including the specific costs incurred by the Ministry of Health - (e.g. could include regulatory roles under sale and supply legislation – Ministry global health roles and costs e.g. World Health Assembly, World Health Organisation (WHO) alcohol activities, work force training and development).
 - If possible, detail the costs by ethnicity.
- *Review of current levy allocations:*
 - Engage with key health and social sector stakeholders especially Māori and Pacific stakeholders on the current state. What is working well? Identify any measurable positive impact the current initiatives being funded are having, particularly for Māori and Pacific peoples?
 - How much is going to Māori service providers, and what measurable positive impact is funding having for Māori?
 - How much is going to Pacific service providers, and what measurable positive impact is funding having for Pacific peoples?
 - What are the impacts of currently funded programmes? Is funding aligned with the key areas where we see disproportionate harm? Eg gender, age groups, ethnicities etc.
 - What aspects of current programmes are aligned with the WHO SAFER framework?
 - What are the barriers and enablers to ensure effective use of funding?
- *Potential future state:*

Consider and evaluate the following (including stakeholder views/positions):

 - What opportunities are there to align with the changes to the Sale and Supply of Alcohol Act, in terms of increasing the levy, and ensuring community and whānau voice in levy funding decisions?
 - What programmes should be prioritised for levy funding?
 - What mix of services/programmes do we need for equitable harm reduction?
 - How can funding be prioritised to support the WHO SAFER framework and “best buys”. This must consider Māori and other ethnicities specific service and programme delivery.
 - Provide an equity analysis to ensure that any proposed changes to the levy and its distribution will contribute to equitable health outcomes, especially for Māori.
 - System priorities – how can we ensure an approach that responds to governments health priorities including for Māori and Pacific populations and the public health sector in the next 10-20 years.
- Final recommendations (due late Oct/early Nov 2023) presented to the ALWG, ready to be shared with Te Whatu Ora and Te Aka Whai Ora Board members and Health Ministers.

In your response you will need to:

- outline your planned approach and how the review will be delivered
- outline who in your team would be involved in the analysis and what experience they have with similar work,

Document 1

- demonstrate you will be able to meet the requirement of having suitably skilled and experienced Māori researchers and analysts who bring a Māori perspective to all aspects of the review, including recommendations
- demonstrate your ability to competently engage with Māori and Pacific people who are involved, ie through key stakeholder and community interviews
- provide examples of similar work that has been recently completed.

Out of scope



Out of scope

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

Out of scope

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

Out of scope

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

N/A

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

PART B

The Provider will complete Part B and e-mail back to the client.

Specific Services to be provided**Overarching approach**

Allen + Clarke's approach presents a robust process, involving multiple engagement points with a range of groups who may have differing aspirations or views. We are proposing that the methodology is based on a bicultural research framework that enables us to meet the needs of the many stakeholders that this review will involve, including Māori and Pacific peoples. It is grounded in the he awa whiria (braided rivers) approach, where both Māori and non-Māori streams of knowledge flow separately but interact over time and lead to the same destination. The value of this approach is that multiple worldviews can be explored and analysed in full without the pressure of one or more views having to conform to a majority opinion.

The proposed *Allen + Clarke* team includes a lead analyst and technical advisor who whakapapa Māori, as well as team members with specific Māori research expertise, and subcontracting highly experienced Māori researchers with in-depth knowledge of the subject matter. The Māori stream of knowledge will be led by those team members. It is also proposed that mātauranga Māori research methods and concepts of health are applied throughout the project. The team also includes a Pākehā project manager and analysts who will lead the non-Māori stream of knowledge.

The Māori stream of knowledge, in the first stage, will include the interviews with Māori service providers, academics with te ao Māori expertise, Te Aka Whai Ora, and a desk-based review of evidence relating to alcohol-related harm for Māori.

In the second stage, it will include stakeholder engagement with Māori (particularly wānanga), and further deeper research into the impact of alcohol-related harm on Māori and the impact of distribution of levy funding.

We believe that adopting the he awa whiria (braided rivers) approach recognises the Crown's unique relationship with Māori as a Treaty partner and tangata whenua, and the rights and obligations that government programmes must meet because of that special relationship. This approach also ensures that Māori and Pacific aspirations can be meaningfully included in the review.

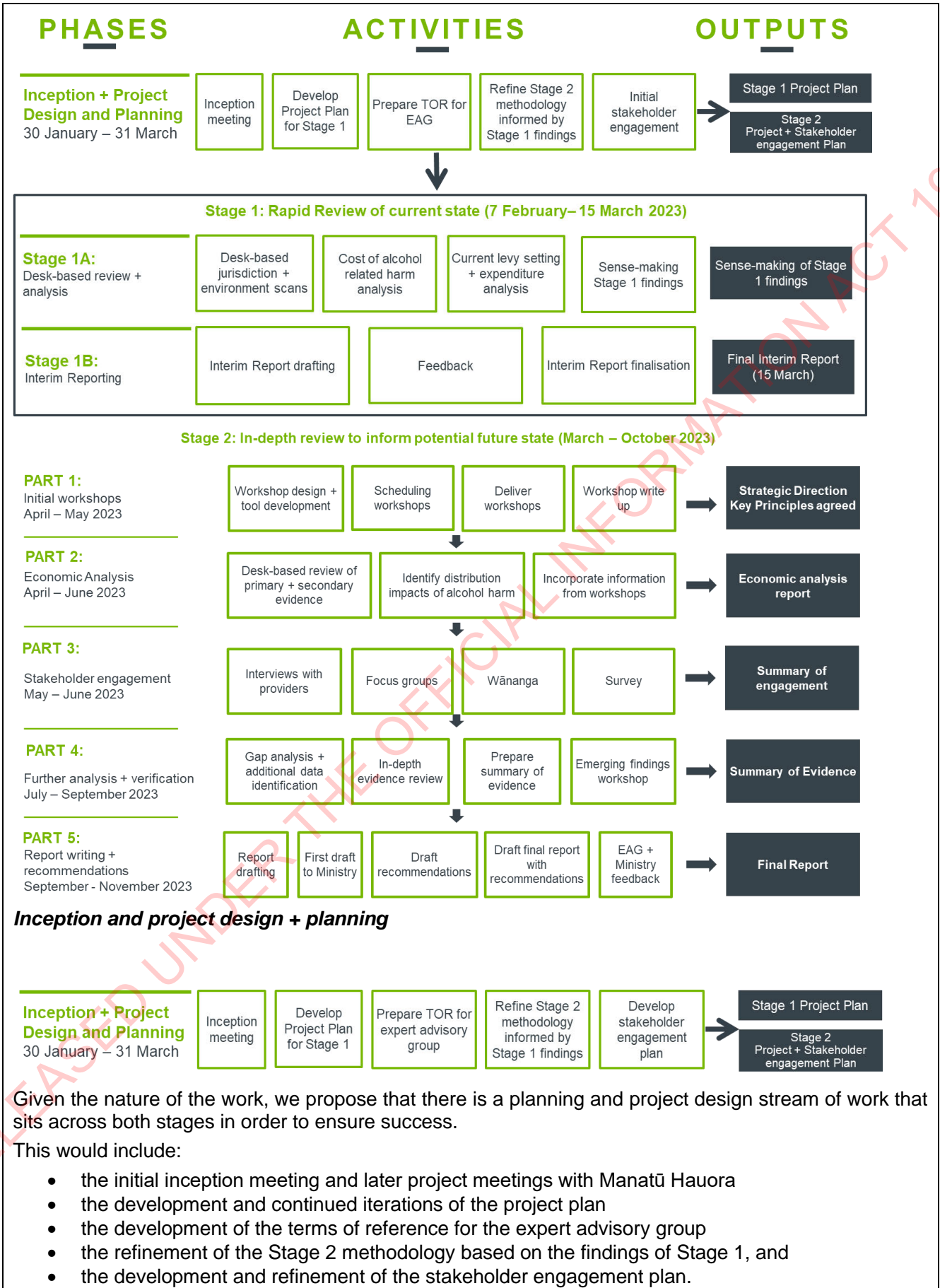
NZIER will lead the economic analysis stream based on a comprehensive review of the most up-to-date data and evidence and the application of robust economic methods. *Allen + Clarke* will manage the different streams to ensure that there are touch points throughout the project where key learnings and information from each workstream are shared, and that the overall programme is aligned and will be delivered as expected.

The supplied AoG Consultancy Services Order stated that the work will need to be undertaken in two stages; the review of current state and provision of interim recommendations, and a full review of the alcohol levy. Our proposed approach reflects those two substantive stages, with a planning element overlaid across both stages.

If *Allen + Clarke* is successful with our proposal, Stage 1 will occur within a short timeframe with clear deliverables, methodology and budget. The second stage will continue to be refined after the project commences to ensure that all relevant information and insights are appropriately incorporated into the methodology.

Each stage will culminate in a milestone which includes the completion of key project deliverables. The phases have been designed to reflect the logical, sequential nature of the work and to ensure that the critical inputs to each stage have been produced and are available in a timely manner. **Figure 1** presents the phases, which are then described in more detailed below.

Figure 1 Summary of Methodology



Our proposed project team includes a project coordinator role to ensure that the project planning, design, and delivery is well organised and the learning space when the he awa whiria (braided rivers) of knowledge come together is appropriately created.

If we are successful in securing the contract to undertake this project, our first step will be to meet with Manatū Hauora to agree a programme of action. The inception meeting will cover:

- establishing how we will work with the Alcohol Levy Working Group (ALWG) throughout the project
- getting to know you and start building our relationship with your team
- the scale of stakeholder engagement and economic analysis that Manatū Hauora would like to be undertaken
- expectations and intended outcomes of the project
- specific timeframes and milestones of the first stage of the project
- discuss Manatū Hauora preferences for the scope and form of regular reporting
- discuss any ideas about the final document structure, and
- agree the methodology, timeframes, and risk management strategies, including a process for identifying, and dealing with any variations to the proposed approach or reporting.

Following the inception meeting, we will develop a detailed project plan. This plan will include all expected activities, milestones, performance measures and reporting frequency. Given the nature of the project, the project plan will be a living document that will be updated over the course of the project (in agreement with Manatū Hauora).

This will enable Manatū Hauora and *Allen + Clarke* to agree the scope of services to be provided, including the expected standard of service. This will be done rapidly, and based on this proposal, in order to maximise the time available to undertake Stage 1 of the work.

We will use our on-line project management software, Salesforce, as a basis for our management of the delivery of services. This enables us to plan the project out, track progress, issue reports and identify and manage risks effectively.

Allen + Clarke will ensure regular liaison with Manatū Hauora, including fortnightly or monthly meetings and/or email reports if required.

Oversight and expert advice

Allen + Clarke believes that this project would greatly benefit from partnering with people in Aotearoa New Zealand who have expert knowledge relating to alcohol-related harm.

It is proposed that *Allen + Clarke* will subcontract expert advisors to assist with the project. It is proposed that an advisory group will be established with expertise in kaupapa Māori and Māori centred approaches, Māori health, and Pacific health - particularly relating to alcohol use and alcohol-related harm - and public health. The expert advisory group (EAG) will be engaged regularly by the project team to assist with the refinement of the project methodology, advise on technical elements of the project, assist with research and insights where required, and provide technical review of deliverables. NZIER would be included in the EAG meetings to ensure that information is shared across all of the workstreams.

Allen + Clarke is committed to partnering with Māori experts and recognises the value of Māori expertise for this work. Given that a kaupapa Māori and mātauranga Māori lens will be required for this work, the EAG will be able to support the *Allen + Clarke* team with this approach.

We have already identified the following experts who we consider would be appropriate for this role:

- s 9(2)(a)
- [REDACTED]
- [REDACTED]
- [REDACTED]

See later for an overview of their experience and *Allen + Clarke*'s approach to the partnership.

During the inception and planning stage, *Allen + Clarke* would discuss with Manatū Hauora if there is a desire to include other nominated technical experts from the health system (including experts with knowledge in alcohol-related harm for Pacific peoples and other communities) that should be added to this group.

Terms of reference for the expert advisory group will be developed in the first stage of the project, and agreed with Manatū Hauora, to ensure mutual and consistent understanding of the expert advisory groups role and expectations.

It is anticipated that the expert advisory group would meet on, at least, a monthly basis and contribute approximately 40 hours of work over the course of the project.

Initial engagement with key stakeholders and development of stakeholder engagement plan

Interviews will be conducted with people who are involved with the administration, distribution, or oversight of the alcohol levy fund. Due to the short timeframes, talking to these groups, who know the alcohol levy best, is intended to extract the information needed to inform the interim report and the second stage of the project.

Interviews will be held with:

- Former Te Hiringa Hauora (part of the National Public Health Service)
- Te Hā Oranga (iwi healthcare provider)
- Te Aka Whai Ora
- Manatū Hauora
- Te Whatu Ora
- Alcohol Healthwatch
- Academics
- NGO treatment service providers
- Drug and Alcohol Practitioners Aotearoa New Zealand (DAPANZ)
- Healthline
- Industry peak body representatives (e.g., CHEERS)

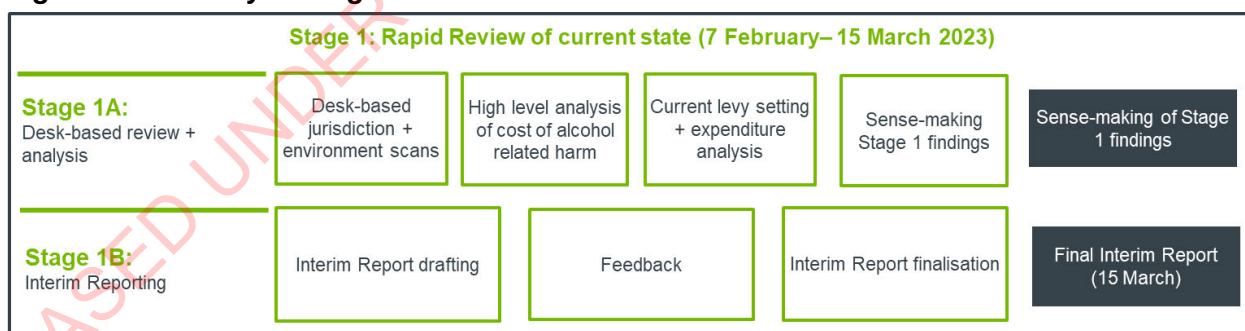
We expect to hold 15-20 short interviews over this period to serve the dual purpose of whakawhanaungatanga (building strong relationships) and understanding the current policy settings relating to the levy, previous investment decisions, and developing a stakeholder engagement plan for the second stage of the project.

The stakeholder engagement plan will be developed in the first stage in order to create a strong foundation for the rest of the project. This will include the intended stakeholder interviews, focus groups, survey questions, and how the survey will be distributed. It is intended that the EAG will have strong input into the stakeholder engagement plan and methodology. The concepts of whakawhanaungatanga and manaakitanga - building genuine relationships, joint participation, and co-design models that benefit all parties involved - will provide the foundation for the development of the engagement plan.

Te Aka Whai Ora will also be engaged to ensure that the stakeholder engagement plan aligns with the work being undertaken in the wider health sector.

Stage 1: Rapid review of current state (7 February – 15 March 2023)

Figure 2: Summary of Stage 1



As outlined above, we are aware that Manatū Hauora requires a rapid review of the current state to be delivered by mid-March 2023. This section outlines how we would undertake this work. This initial Stage would be undertaken under tight time constraints and therefore will be limited to review of documents and available data identified by Manatū Hauora. The review will be undertaken at a high level and will focus on information that can assist with short-term recommendations (relating to the levy settings for the 2023/24 financial year). It will also consider whether other data sources or information would provide valuable insights for future planning.

Desk-based review and analysis

Desk based jurisdiction and environment scans

Concurrently, the *Allen + Clarke* team will undertake a desk-based review of a range of sources identified by Manatū Hauora. During this phase, *Allen + Clarke* will:

- Describe the total levy fund collected and other levies collected in Aotearoa New Zealand for a similar purpose, including for tobacco and gambling. Other levies that follow a cost-recovery model, such as the levies collected by the Accident Compensation Corporation and the Ministry for Primary Industries will also be included. There may also be international comparators (e.g. health promotion foundations funded through tobacco levies).
- Review the available information in Aotearoa New Zealand relating to the alcohol levy, including the Law Commission report and academic articles and studies.
- Review the current focus of levy funding.
- Review comparative jurisdictions' approaches to alcohol levy at a high-level. Jurisdictions including Australia, Canada, and the United Kingdom will be considered.
- Conduct an environment scan focusing on research into 'by Māori, for Māori' approaches to the distribution of alcohol funding and the impact of alcohol-related harm on Māori and Pacific peoples.

Current levy settings and expenditure

Given the short timeframe for the first stage of the project, the analysis of the total levy fund, its impact on alcohol-related harm generally, and the analysis of whether the fund should be increased, will be done at a high level.

NZIER will review and summarise the current evidence on the cost of alcohol-related harm in Aotearoa New Zealand.

At a minimum this review will include:

- a literature review of Aotearoa New Zealand reports as well as major international reports published since the influential 2009 BERL report that found an annual societal cost of alcohol-related harm of \$4.8 billion¹ (updated with a conference presentation quoting a social cost of \$7.8 billion annually in 2018²). This will include literature that:
- quantifies the cost of alcohol-related harms
- estimates the impact of pricing and affordability on alcohol consumption and alcohol-related harms, including elasticities of demand.

To inform a recommendation on increasing the levy in 2023/24, NZIER will provide:

- a descriptive analysis of the total levy fund:
- with and without inflation adjustment (using the CPI and the food price index (FPI))
- in comparison with alcohol levies in other jurisdictions.

Based on any recommendation of increase in the alcohol levy, NZIER will provide an estimate of the total levy fund with breakdown by type of alcohol product to the extent that data permits and informed by the evidence on the impact of the alcohol levy on demand.

This review and descriptive analysis will also include:

- an overview of methodological differences and the explicit and implicit assumptions that explain the range of results, to allow you to consider which evidence is more aligned with your definitions and objectives.
- descriptive analysis and visualisations of the data on alcohol available for sale (Alcohol Available for Consumption (Stats NZ)), patterns of alcohol consumption (NZ Health Survey) and household expenditure on alcohol (Household Economic Survey (HES) 2019, the affordability of alcohol (index of average hourly earnings from wages and salaries divided by the Consumer Price Index (Stats NZ)), identifying the current state and trends and differences between demographic groups to the extent that the data permits
- an assessment of the evidence gaps and areas of uncertainty and their significance to the alcohol levy
- in proportion to the alcohol excise tax take, the total value of alcohol sales, GDP

¹ Stack, A., Business and Economic Research Limited (BERL), & Et al. (2009). *Costs of harmful and alcohol and other drug use*. BERL economics.

² Nana, G. (2018). Alcohol costs – but, who pays? Presented at the Alcohol Action NZ Conference, Wellington, New Zealand.

- compared with alcohol sales volumes, the share of the Aotearoa New Zealand population with an alcohol use disorder (noting the paradox that the majority of alcohol-related harm accrues to those that don't meet the criteria for alcohol use disorder) and estimates of the value of alcohol-related harm.

Sense-making

Following the synthesis of the findings collected during Stage 1, we propose holding a sense-making workshop with Manatū Hauora to discuss the emerging findings and to seek feedback to inform the interim report and refinement of the methodology for Stage 2.

The sensemaking session will be structured to address the following questions:

- What is the significance of the findings?
- What is the implication of these findings to the wider project?
- What are the potential next steps for Manatū Hauora?

Interim reporting

An interim report will be developed that provides a summary of the current state of the alcohol levy in Aotearoa New Zealand, including an overview of how the levy compares to other sectors and jurisdictions and the health promotion activities that have previously been funded from the levy. The report will also provide commentary on the cost of alcohol-related harm. A draft report will be provided to Manatū Hauora for feedback prior to being finalised.

This interim report will draw out initial key themes relating to Māori and Pacific peoples, in a summary form. This information will be used to guide the stakeholder engagement in the second stage of the project, and further desk-based research and analysis.

The findings from the first stage of the project will culminate in short-term recommendations about the alcohol levy for the 2023/24 financial year. The report will meet publishing and accessibility standards such that Manatū Hauora can subsequently release it publicly if desired. As noted above these initial findings will be used to affirm, and iterate, if necessary, the methodology that can be used for the second stage of the project.

Stage 2: In-depth review to inform potential future state (April – November 2023)

The second stage of the project will be substantial, and the proposed methodology will be discussed, refined, and agreed with the Manatū during the initial planning and project design phase following the completion of Stage 1 if Allen + Clarke (and partners) are the successful provider.

The methodology will also be tested with the EAG to ensure that the findings from the first stage of the project are incorporated and is best placed to achieve the outcomes intended for this project.

The second stage of this project will have three parts that will be undertaken concurrently: the economic analysis, stakeholder engagement, and further desktop review of secondary sources.

The three parts will culminate in a final report that will explore a potential future state for the alcohol levy within the legislative context of the Pae Ora Act.

We can tailor the methodology to suit the scale that Manatū Hauora requires, including the level of engagement with stakeholders and the level of detail required for the economic analysis. While the scale can be tailored, it is critical to truly reflect a kaupapa Māori approach and engage with the communities affected, not just the providers. It is intended that the first stage is used to define the details of the second stage, in order to deliver the best possible product.

It is proposed that a detailed methodology for Stage 2 will be developed, in conjunction with Manatū Hauora. This would allow discussion and agreement about the depth of economic analysis and stakeholder engagement required. The following methodology is proposed as a starting point for those discussions.

Part 1: Initial workshops

PART 1:

Initial workshops
April – May 2023



To ensure the success of the second stage of the project, we propose two or three workshops with relevant staff members from the ALWG, Manatū Hauora, Te Whatu Ora, and Te Aka Whai Ora to set the direction

of the project. These workshops will be supporting the project team to understand the strategic direction for alcohol-related harm reduction and health promotion in the health system and to understand the outcomes that are sought by adjusting the levy-setting formula.

These workshops would build on the initial engagement undertaken in the planning phase and the information gathered will be used to ensure that the analysis undertaken is aligned with the strategic direction of the health teams that work in this area. We note the opportunity with the health system reforms to significantly change the way alcohol-related harm reduction and health promotion activities are undertaken.

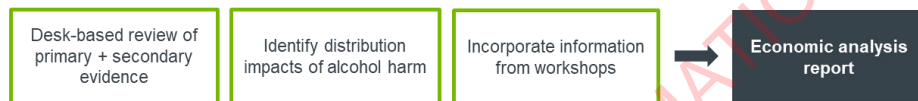
These workshops also provide a forum to identify risks within the project and the wider policy area and to develop a management strategy.

We would also use the workshops to establish how Manatū Hauora and the ALWG would like to partner for stakeholder engagement and fulfil their obligations as a Treaty partner and under the purposes of the Pae Ora Act.

Part 2: Economic analysis

PART 2:

Economic Analysis
April – June 2023



The focus of this part of the project is to quantify the cost of alcohol-related harm to Aotearoa New Zealand. This is scalable based on the need of the Manatū Hauora. A baseline option and some additional activities have been included below.

NZIER will evaluate the levy setting formula and will provide an assessment of its advantages and disadvantages in relation to:

- its structure and included variables that affect the size of the overall levy
- its responsiveness to changing patterns of:
 - alcohol consumption, including the mix of products
 - alcohol consumer demographics
- the structure and use of other levies in New Zealand (e.g., gambling levy, ACC levies)
- alcohol levies in comparable jurisdictions (based on published reports)

NZIER will investigate the extent, nature and value of alcohol-related harms. This will involve compiling data from primary (e.g. micro data) and secondary (e.g. previously published reports) sources, the evidence on alcohol-related harms across all sectors (including health, social and justice, as well as private harms to individuals, families, communities and businesses), including direct, indirect and intangible (e.g. quality of life) harms, and the total societal cost of alcohol-related harms. To the extent that the evidence allows, the distributional impacts of each aspect of alcohol-related harm will be identified. This would be primary research and would follow the principles of the Treasury’s Social Cost Benefit Analysis framework, focussing on cost aspects, and will incorporate up-to-date published evidence of attribution of impacts to alcohol and harmful drinking.

Additional analysis could be undertaken to provide an assessment of the advantages and disadvantages of the levy setting formula in relation to:

- its performance in fulfilling its dual purpose as:
 - a tool for direct impact on alcohol consumption and, by extension, alcohol-related harms
 - a tool for revenue raising for cost recovery related to activities addressing alcohol-related harm
- equity impacts (considering alcohol consumption, by type, alcohol-related harms, alcohol affordability, and elasticity of demand in different population groups, to the extent that data and evidence permit).

Part 3: Stakeholder engagement

PART 3:

Stakeholder engagement
May – June 2023



Stakeholder engagement will be a critical element to support the development of both the recommendations for factors to be incorporated into the future levy setting formula, and to understand the effectiveness of alcohol-related harm minimisation activities.

The stakeholder engagement plan that is developed in the planning phase of the project will be enacted. It will also set up an initial sampling strategy that will be agreed with Manatū Hauora.

It is intended that stakeholder engagement will be undertaken in multiple forms: focus groups, wānanga, stakeholder interviews, and a survey.

All stakeholder engagement will be grounded in the concepts of whakawhanaungatanga and manaakitanga: building genuinely relationships, joint participation and co-design models that benefit all parties involved. This is another stage of the project where the indigenous and western streams of knowledge would flow separately, with Māori stakeholders being engaged with a kaupapa Māori approach.

The key findings from the initial workshops, about Manatū Hauora's intended direction to adhere to the obligations under Te Tiriti o Waitangi and the purpose of the Pae Ora Act, will be used to underpin the way that stakeholder engagement is undertaken.

Stakeholder interviews with providers

We would interview providers of alcohol-related harm reduction services. These interviews would focus on the activities that are most effective to achieve the intended outcomes, the current funding model, and the factors that are relevant to consider when determining the cost of alcohol related harm in Aotearoa New Zealand.

Specifically, these interviews will allow us to discuss the following aspects of the alcohol levy funding:

- the current services that are provided and their effectiveness
- key issues and risks that service providers face in the course of their work, and
- the type and severity of alcohol-related harm that they see over the course of their work.

We propose holding 12-16 individual and small group interviews with service providers. We will work with Manatū Hauora and/or Te Whatu Ora and/or Te Aka Whai Ora to identify the service providers to invite, but we envision this could include representatives from Māori service providers, Pacific service providers, community treatment services, and NGOs.

When organising these interviews, we will seek the support of Manatū Hauora to obtain the contact details for appropriate individuals to approach within each grouping.

Interview guides:

To ensure the interviews cover the necessary issues, we will develop interview guides for each participant group, which we would share with Manatū Hauora for feedback prior to commencing the interviews. The interviews will be semi-structured around this guide, enabling us to discuss issues in-depth and to analyse the qualitative data by systematically coding and categorising it by key themes.

Engagement approach:

We expect each interview will last approximately 60 minutes and we propose (we can adjust methodology and price if you prefer a different approach) that these interviews are primarily held virtually (via Zoom, Microsoft Teams, or similar videoconferencing software) in order to save time and expense for the focus groups and interviews.

All interviewees will be provided with an information sheet and consent form which will outline the purpose of the interview, how the information is to be used, and privacy conditions. We will record all interviews (with permission) so that we can verify the written notes we make during the interview.

Focus groups and wānanga

Focus groups

We propose that the Allen + Clarke team facilitate the focus groups to understand the impact of service provision on consumers by leading an interactive discussion with participants to:

- confirm the services that they receive
- test the effectiveness of those services
- identify the value of the services and the impact of alcohol-related harm on consumers.

The focus groups are likely to include those that use the services that are funded by the alcohol levy (i.e., consumers). This will therefore have a natural bias given the nature of recruiting the participants. We anticipate each focus group will involve a cross-section of people to encourage discussion from a range

of perspectives. We propose running approximately eight face-to-face focus groups with 6-8 participants in each. These could also be run virtually to reduce cost.

We will use a variety of strategies to ensure we recruit a sufficient number of focus group participants. We will use the earlier interviews with the providers to identify organisations or contacts that may be able to inform our recruitment of groups. We will also use the project teams' (including the EAG) networks and Allen + Clarke's organisational established networks of health and social service providers that we have engaged with on previous projects.

If necessary, we are able to draw on the services of a specialist focus group recruitment provider. We have successfully worked with such providers in the past. However, we do not anticipate doing this unless existing networks are not successful in securing enough participants.

Wānanga

As identified in research completed in 2022 for the Office of the Auditor General "Wānanga as a research approach to data gathering provides a format for open and honest discussion embedded in Māori cultural practices. Central to wānanga are values of whanaungatanga (relationships), mihi (acknowledgements), discussion (kōrero), and ako (learning)."³

We propose using a wānanga approach for engagement with Māori stakeholder groups, including consumers and those involved in advocacy for Māori. We recognise that wānanga has its own mana and allows knowledge to be shared in a culturally safe way. We acknowledge that this approach will best align with the needs of Māori and Pacific people for sharing their knowledge as often surveys are not the preferred method for these groups.

All focus group and wānanga participants will be provided with an information sheet and consent form which will outline the purpose of the focus group, how the information is to be used, and privacy conditions. All focus groups will be recorded (with permission) so that we can verify the written notes made during the interview. If participants are not comfortable with the sessions being recorded, we will take notes and share them with participants to confirm their views/comments.

We expect each wānanga will last approximately 90 minutes and we propose that these are primarily held in person. With the prevalence of COVID-19 continuing in our communities, we will offer all stakeholders the opportunity to undertake the wānanga virtually (via Zoom, Microsoft Teams or similar videoconferencing software), if they are not comfortable or are unable to meet in person. It is however, preferable to hold wānanga in person.

Koha

We propose to provide koha in the form of a \$50 supermarket voucher, or similar, for participants in focus groups and wānanga.

Survey

We would use a purposive (non-random sampling where participants are identified and asked) and a snowball sampling approach (where survey participants forward the survey link to others) to an online survey which would be shared with different interest groups. This would be used to understand the current state from a range of perspectives and the opportunities for change that different stakeholders identify.

We envision the sample could include the following types of participants:

- service providers (e.g., Te Hā Oranga, Higher Ground etc.)
- public health organisations such as Alcohol Healthwatch, Public Health Association of New Zealand, National Public Health (alcohol) Working Group
- government agencies such as Manatū Hauora, Ministry of Justice, NZ Police, ACC, ARLA, etc
- industry groups such as Hospitality NZ, Restaurant Association of NZ, NZ Alcohol Beverages Council, Clubs NZ.

We will discuss the distribution strategy during the collaborative survey design workshops but have assumed that Manatū Hauora has a list of contact details for service providers, government agencies, local government, and some industry representatives. Depending on privacy agreements, the survey can be distributed by Manatū Hauora, or we can send the survey directly to recipients.

Survey development:

³ Haemata Limited (2022), *Māori perspectives on public accountability*. Accessed from: <https://oag.parliament.nz/2022/maori-perspectives/methodology.htm>.

We will work collaboratively with Manatū Hauora to identify the topic areas and themes to be addressed and the research questions that the survey should aim to answer as part of the co-design process. We will investigate validated research questions and measures from existing Aotearoa New Zealand surveys (e.g. Te Hiringa Hauora surveys, the New Zealand Health Survey). Our desktop review will also identify any relevant studies and measures that will inform the questionnaire design.

Our experience shows that surveys tend to achieve the best response rates when the survey instrument is concise, taking no longer than 10-15 minutes to complete. We would seek to achieve this by careful selection of response type, including mainly closed questions using Likert scales and ordinal variables, with a small number of free text responses.

Data collection:

We propose that the online survey be open for four weeks. All participants will receive an email invitation with a link to the online survey. A reminder email will be sent one week later. To further boost the final participation rate, two or three more follow-up emails may be sent in subsequent weeks.

Allen + Clarke will develop the survey as an open respondent form which any individual with the link can answer. Manatū Hauora would take responsibility for emailing this link to all applicable respondents and follow-up emails. Responses cannot be linked to contacts so reminder messaging will need to go out to the entire survey population.

Survey platform:

We propose using either SurveyMonkey or LimeSurvey to administer an online anonymous (or confidential) survey, both tools are cloud-based online survey hosts and data collection platforms. Both tools have been widely used to administer online surveys at Allen + Clarke. The choice of which will be finalised with the client.

Incentives:

We will discuss with Manatū Hauora whether it is appropriate to offer an incentive (such as a prize draw for a Prezzy Card) to support higher response rates.

In our experience a valuable and specific prize draw works well. For example, our General Practice Workforce Survey offered participants to go in the draw to win either a Nespresso Creatista Plus coffee machine by Breville, or Bose wireless noise-cancelling headphones, or iPad Pro 10.5-inch display with 64G.

The survey would be voluntary and is confidential but not entirely anonymous, as the provision of some demographic detail may mean that people are identifiable. Additionally, if participants would like to enter the prize draw, they will be asked to provide a contact email address or phone number. We consider the ethical risk associated with this to be negligible.

Data Analysis

Qualitative data will be analysed using thematic and content analysis to identify key issues and themes, relevant to the research questions. The project team will then test the relevance of each theme, ensuring that the analysis tells a coherent ‘story’ with commonalities and differences clearly highlighted. The analysis will be reported using analytic narrative and exemplar extracts from the data. A framework of analysis will be agreed with Manatū Hauora.

The main statistical and econometric analysis will be undertaken using the statistical packages Stata and R as appropriate to the required technique. The analytical approach used in the study will be developed and discussed with Manatū Hauora, we will then submit the draft analysis plan to the client for review and comment. We will incorporate recommended modifications and return for approval.

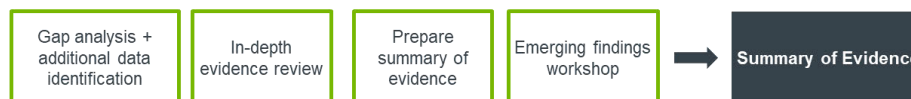
We will present these data using easy-to-read figures and tables, and will use infographics where appropriate.

Our team will then synthesise the qualitative and quantitative information to identify and triangulate key findings against the research questions providing a summary of engagement findings for discussion with Manatū Hauora and sharing back with a cross-section of those who participated in the engagement.

Part 4: Further analysis and verification

PART 4:

Further analysis + verification
July – September 2023



Gap analysis + additional data identification

The sources that were used in the first stage of the project, and additional data and evidence that is relevant, will be reviewed for gaps and analysed to inform the final report and recommendations. This is intended to supplement the economic analysis and the stakeholder engagement, and the information collected, reviewed, and analysed will be dependent on the other parts of the project and guided by the latest iteration of the project plan.

It is expected that this research will cover a range of areas, including the impact of alcohol for Māori in Aotearoa New Zealand, the economic cost of alcohol-related harm in Aotearoa New Zealand, the social impact of alcohol in Aotearoa New Zealand, and the impact of alcohol for Pacific peoples in Aotearoa New Zealand.

Additional desk-based research will also be used to supplement the findings from the economic analysis and stakeholder engagement and will include research on alcohol-related harm interventions and health promotion activities. A summary has been provided here, but the methodology will be refined as the project gets underway to ensure that up-to-date and relevant evidence is used.

In-depth evidence review

The information and evidence used in Stage 2 will be strongly informed by the information gathered in Stage 1. It is anticipated that information sources will be sought from:

- an in-depth cross jurisdictional scan to determine how alcohol levies are calculated in other jurisdictions and how the funding distribution is determined
- available information about the rationale for other Aotearoa New Zealand levies collection and distribution
- any available data from evaluations that have been completed of the services funded by the levy
- a literature review of available Aotearoa New Zealand evidence regarding alcohol-related harm, and the impact of interventions such as the levy, and
- information gathered from relevant public service agencies such as New Zealand Police, Ministry of Justice, the Accident Compensation Corporation, and health sector organisations.

Thematic analysis will be used to analyse qualitative data, using NVivo Pro software. We will code the data, identifying themes that are relevant to the summative evaluation questions. NVivo enables transcripts to be coded to different themes, sub-themes, and characteristics so that they can be sorted and analysed in a variety of ways. This would include drawing out themes relevant to population groups of interest (Māori, Pacific, and groups that have experienced health inequity). Within each of these groups we will identify both recurring themes and those that run counter to this.

Excel and STATA will be used to clean, analyse, and present the survey data as tables, graphs, and infographics as needed. The analysis will also incorporate the findings from the analysis of health access and outcome measures, and the value for money assessment.

Emerging findings workshop

As part of the analysis and interpretation of the data, we will work with Te Whatu Ora and Te Aka Whai Ora in a way that supports the mahi tahi approach. We will facilitate a workshop with Manatū Hauora, Te Whatu Ora, Te Aka Whai Ora and other relevant stakeholders (e.g., the co-design group) to discuss draft findings. The workshop will be structured to address the following questions:

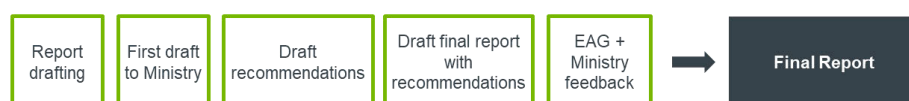
- Do you think the emerging findings are valid, reflecting your experience or understanding of the service provision funded by the alcohol levy?
- Did we interpret the findings in a way that makes sense? How significant are the findings?
- What does this mean in terms of next steps? What changes or adaptations are needed?

The Allen + Clarke team will facilitate discussion of the issues, aiming to achieve consensus on the main findings and recommendations. Feedback from the workshop will be incorporated in the report.

Part 5: Report writing and recommendations

PART 5:

Report writing + recommendations
September - November 2023



At the conclusion of the engagement and research, we will draft a report summarising the findings from the engagement and research. The report, which outline the impacts and costs for different population groups, will include recommendations for a future state of the alcohol levy. This will be grounded in the

direction set by the workshops with health staff, the system priorities determined by Manatū Hauora, and the purposes of the Pae Ora Act.

The final report will provide recommendations for Manatū Hauora that include:

- factors to be included for a new levy-setting formula or methodology in the future,
- policy options for alcohol-related harm reduction and health promotion activities to be funded by the levy, and
- options for levy distribution with a specific lens for impact on Māori, as well for Pacific peoples and other communities.

The final report will cover:

- economic analysis of the cost of alcohol-related harm in Aotearoa New Zealand and the relevant factors that should be incorporated in the levy-setting process to justify using the levy to fund health promotion and/or alcohol-related harm reduction activities
- summary of the information gathered through stakeholder engagement, including analysis of the survey, focus group responses, and stakeholder interviews
- assessment of the current alcohol-related harm minimisation activities funded by the levy and options for other activities or changes to the services or programmes that are currently provided, all taken through an equity lens.

Reporting and deliverables

Throughout the project, *Allen + Clarke* will provide Manatū Hauora with regular updates, which provide high-level information about the progress of the project. We will also report on any identified project risks and issues and planned mitigations. The frequency of project reporting will be agreed as part of the contract inception process.

We propose that there are regular meetings between the *Allen + Clarke* team and the Manatū Hauora team over the course of the project to ensure that the project progresses in the intended direction, ensure there is a strong relationship between the teams and encourage collaboration and information sharing.

For the first stage of the project, it is proposed that a sensemaking session is held before the draft report is sent to Manatū Hauora to ensure that the deliverable meets expectations within the limited timeframe.

For the second stage of the project, it is proposed that the final deliverable is delivered in draft to Manatū Hauora without recommendations for feedback, and then a second draft is provided with recommendations for further feedback, before the final report and recommendations are provided.

Deliverables

The following reports will be delivered by *Allen + Clarke*, which would culminate in an overview report and final recommendations.

A report outlining:

- the Māori perspective, including the costs associated with alcohol-related harm, the impact of current interventions, and the impact of potential future state options for Māori
- Pacific perspectives, including the costs associated with alcohol-related harm (where data is available), the impact of current interventions, and the impact of potential future state options for Pacific peoples, and
- the impacts and costs for the general population, and the impact of potential future state options.
- the impacts of the current levy on populations that are particularly vulnerable to alcohol-related harm (e.g., rural or high deprivation populations) and the impact of potential future state for those populations.

From: s 9(2)(a) @allenandclarke.co.nz>
Sent: Tuesday, 21 February 2023 10:03 am
To: Kate Taptiklis; Rob O'Brien
Cc: s 9(2)(a)
Subject: Alcohol levy review - project plan
Attachments: Alcohol levy review - project plan.docx

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Kate

See attached draft project plan for Phase 1 for your review and approval prior to distributing to the wider steering group. It is primarily based on the proposal with some tweaks to dates etc based on conversations last week.

Also below is the list of people we have/are engaging with so far. If there is anyone else you think should be added for Phase 1 let me know (note we are still waiting for list from Keith and Derek).

Name	Organisation	Status
s 9(2)(a)		
Professor Doug Selman	Otago University	Contact made
Dean Rangihuna	Te Aka Whai Ora	Contact made
Egan Bidois	Te Aka Whai Ora	Contact made
Kim Dougall	Te Aka Whai Ora	Contact made
s 9(2)(a)		
Tane Cassidy	ACC/Former HPA	Contact made
Cathy Bruce	Te Whatu Ora	Discussion scheduled 21/02
Amanda Jones	Te Whatu Ora	Discussion scheduled 21/02
Keith Newton	Te Whatu Ora	Discussion scheduled 21/02
Derek Thompson	Te Whatu Ora	Discussion scheduled 21/02
s 9(2)(a)		
Dr Eric Crompton	The New Zealand Initiative	To contact

We are also finalising a draft report structure and will circulate to you soon before sending to the wider group.

S
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Alcohol levy review

Project plan – Stage 1

05 June 2024



Document 3

Allen + Clarke

Alcohol levy review – Manatū Hauora



Document status:	Draft – to be intermittently updated
Version and date:	V 1.0; 10/02/2023
Author(s):	s 9(2)(a)
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Verification QA changes made:	s 9(2)(a)
Proof read:	s 9(2)(a)
Formatting:	s 9(2)(a)
Final QA check & approved release:	s 9(2)(a)



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1.0 BACKGROUND

The Pae Ora (Healthy Futures) Act 2022 (the Pae Ora Act) came into force in July last year as the legislative basis for the reform of the health system. Amongst the number of significant changes to the sector, Te Hiringa Hauora (formerly the Health Promotion Agency) was disestablished, and its functions were placed within the National Public Health Service within Te Whatu Ora. Te Hiringa Hauora previously received the total levy funding for the purpose of recovering costs incurred in addressing alcohol-related harm and in its other alcohol related activity.

Manatū Hauora now receives the levy fund collected as a result of the levy that is raised on all alcohol produced or imported for sale in Aotearoa New Zealand. Vote Health appropriation then distributes the levy across Manatū Hauora and Te Whatu Ora. The alcohol levy is collected at different rates for classes of different alcoholic beverages. The levy is calculated at a cost per litre of alcohol for each class.

The alcohol levy was previously collected in accordance with the New Zealand Public Health and Disability Act 2000 and relevant secondary legislation. With the reform of the health system, the alcohol levy is now collected in accordance with the Pae Ora Act.

All aspects of the Pae Ora Act must be read in light of its purpose, which is to provide for the public funding and provision of services in order to –

- a. protect, promote, and improve the health of all New Zealanders; and
- b. achieve equity in health outcomes among Aotearoa New Zealand's population groups, including striving to eliminate health disparities, in particular for Māori; and
- c. build towards pae ora (healthy futures) for all New Zealanders.

The Pae Ora Act also states that levies may be imposed for the purpose of Manatū Hauora recovering costs it incurs in addressing alcohol-related harm, and in its other alcohol-related activities.

The alcohol levy is hypothecated and is directed for the use of funding alcohol-related harm reduction programmes nationally, regionally, and locally.

The 2021/22 New Zealand Health Survey found that 79.1% of the adult population in Aotearoa New Zealand was a past-year drinker and approximately 19% of the total adult population were found to be hazardous drinkers. The use of alcohol is linked to disease, injury, death, and crime in a range of ways and has been found to cause harm to whānau and communities. In 2007, the World Health Organization identified alcohol consumption as an important risk factor for more than 60 different diseases. Dr Ganesh Nana estimated that alcohol-related harm in New Zealand costs approximately \$7.8 billion annually¹.

Manatū Hauora, as part of the Crown, is obliged to adhere to the principles of Te Tiriti o Waitangi. The 2019 Hauora report from the Waitangi Tribunal also recommended the following principles for the primary health care system which are applicable to the wider public health system:

¹ Nana, G. (2018). Alcohol costs – but, who pays? Presented at the Alcohol Action NZ Conference, Wellington, New Zealand.



- **Tino rangatiratanga:** The guarantee of tino rangatiratanga, which provides for Māori self-determination and mana motuhake in the design, delivery, and monitoring of health and disability services.
- **Equity:** The principle of equity, which requires the Crown to commit to achieving equitable health outcomes for Māori.
- **Active protection:** The principle of active protection, which requires the Crown to act, to the fullest extent practicable, to achieve equitable health outcomes for Māori. This includes ensuring that it, its agents, and its Treaty partner are well informed on the extent, and nature, of both Māori health outcomes and efforts to achieve Māori health equity.
- **Options:** The principle of options, which requires the Crown to provide for and properly resource kaupapa Māori health and disability services. Furthermore, the Crown is obliged to ensure that all health and disability services are provided in a culturally appropriate way that recognises and supports the expression of hauora Māori models of care.
- **Partnership:** The principle of partnership, which requires the Crown and Māori to work in partnership in the governance, design, delivery, and monitoring of health and disability services. Māori must be co-designers, with the Crown, of the primary health system for Māori.

We understand that, broadly, the alcohol related claims before the Tribunal allege that the Crown has failed to address, and in some cases has actively contributed to, disproportionately high rates of alcohol abuse amongst Māori, particularly among wāhine Māori and rangatahi Māori. We are aware that Tribunal-commissioned evidence already on the Wai 2575 Record of Inquiry discusses the alcohol levy.



2.0 SCOPE

This project will be an independent review of the alcohol levy system; including assessing the current state to inform the use of the levy funding for 2023/24 financial year, and an in-depth review to provide proposed options for a future state of the use of the alcohol levy and other alcohol-related harm reduction interventions.

This project plan outlines how **Phase 1** of the project will work.

This includes:

- An initial, fast-paced, review of the current state relating to the alcohol levy. This will include a summary of current evidence on the cost of alcohol-related harm, a summary of the levy and its impact as a public health intervention, a high-level financial summary of the current state of the levy, and an outline of the way the levy funding is spent.
- Recommendations to inform levy-setting for the 2023/24 financial year.

This work will have a strong Māori lens applied to every aspect to ensure that the deliverables reflect the role as a Treaty partner and work toward the purpose of the Pae Ora Act. The work will also include a strong Pacific lens to support achieving equity in health outcomes amongst all New Zealand's population groups.



3.0 METHODOLOGY

This section outlines how the work will be delivered for Stage. The methodology for Stage 2 will be set out in a separate project plan reflecting learnings from Stage 1.

3.1 Overarching approach

Allen + Clarke's approach is grounded in the *he awa whiria* (braided rivers) approach, where both Māori and non-Māori streams of knowledge flow separately but interact over time and lead to the same destination. The value of this approach is that multiple worldviews can be explored and analysed in full without the pressure of one or more views having to conform to a majority opinion.

The Māori stream of knowledge, in the first stage, will include the interviews with Māori service providers, academics with te ao Māori expertise, Te Aka Whai Ora, and a desk-based review of evidence relating to alcohol-related harm for Māori.

In the second stage, it will include stakeholder engagement with Māori (particularly using wānanga), and further deeper research into the impact of alcohol-related harm on Māori and the impact of distribution of levy funding.

We believe that adopting the *he awa whiria* (braided rivers) approach recognises the Crown's unique relationship with Māori as a Treaty partner and tangata whenua, and the rights and obligations that government programmes must meet because of that special relationship. This approach also ensures that Māori and Pacific aspirations can be meaningfully included in the review.

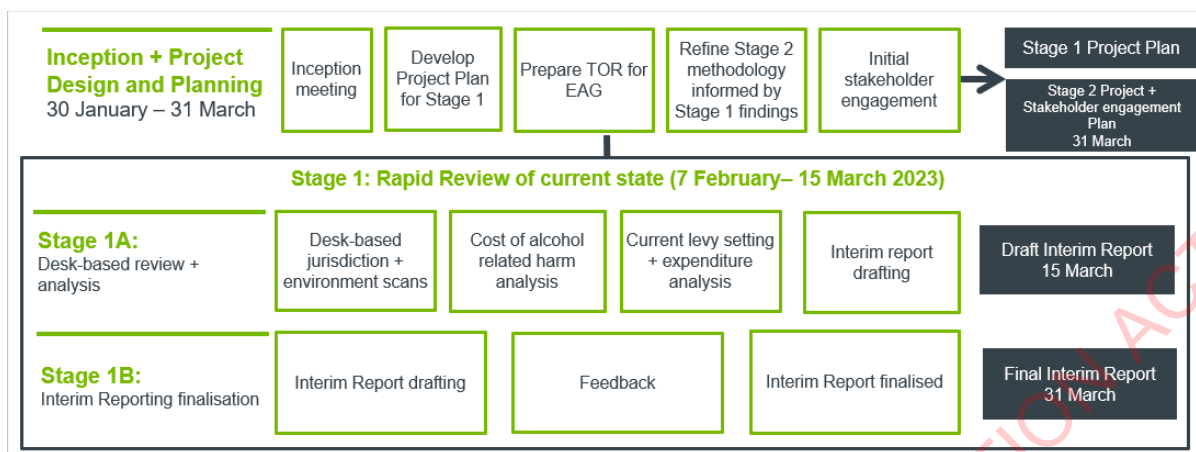
NZIER will lead the economic analysis stream based on a comprehensive review of the most up-to-date data and evidence and the application of robust economic methods. *Allen + Clarke* will manage the different streams to ensure that there are touch points throughout the project where key learnings and information from each workstream are shared, and that the overall programme is aligned and will be delivered as expected.

The supplied AoG Consultancy Services Order stated that the work will need to be undertaken in two stages; the review of current state and provision of interim recommendations, and a full review of the alcohol levy. Our approach reflects those two substantive stages, with a planning element overlaid across both stages.

Each stage will culminate in a milestone which includes the completion of key project deliverables. The phases have been designed to reflect the logical, sequential nature of the work and to ensure that the critical inputs to each stage have been produced and are available in a timely manner. **Figure 1** presents the phases for Stage 1 which are then described in more detail below.



Figure 1 Summary of Methodology



3.2 Inception and project design

Given the nature of the work, there is a planning and project design stream of work that sits across both stages in order to ensure success.

This includes:

- the initial inception meeting and later project meetings with the Alcohol Levy Working Group (ALWG)
- the development and continued iterations of this project plan
- the development of the terms of reference for the expert advisory group
- the refinement of the Stage 2 methodology based on the findings of Stage 1, and
- the development and refinement of the stakeholder engagement plan.

This will enable Manatū Hauora and *Allen + Clarke* to agree the scope of services to be provided, including the expected standard of service. This will be done rapidly, and based on this proposal, in order to maximise the time available to undertake Stage 1 of the work.

We will use our on-line project management software, Salesforce, as a basis for our management of the delivery of services. This enables us to plan the project out, track progress, issue reports and identify and manage risks effectively.

Allen + Clarke will ensure regular liaison with Manatū Hauora, and the cross-entity Alcohol Levy Working Group (ALWG)², including fortnightly or monthly meetings and/or email reports if required.

Oversight and expert advice

Allen + Clarke believes that this project would greatly benefit from partnering with people in Aotearoa New Zealand who have expert knowledge relating to alcohol-related harm. An

² Which includes members from the Public Health Agency (within Manatū Hauora), Te Whatu Ora and Te Aka Whai Ora

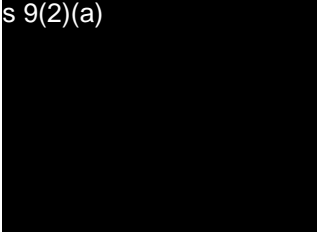


expert advisory group has been established to assist with the project. The make-up of this group is designed to reflect expertise in kaupapa Māori and Māori centred approaches, Māori health, and Pacific health - particularly relating to alcohol use and alcohol-related harm - and public health. While additional experts have been identified who could be part of this group, it was decided to keep the group small and to have them focus on strategic oversight of the project. Additional experts that have been identified will be engaged on an individual basis throughout the project to garner technical insights and guidance.

The expert advisory group (EAG) will be engaged regularly by the project team to assist with the refinement of the project methodology, advise on technical elements of the project, assist with research and insights where required, and provide technical review of deliverables. A terms of reference is being drafted to establish the working relationship with the EAG.

The EAG is made up of:

s 9(2)(a)



Initial engagement with key stakeholders and development of stakeholder engagement plan

Interviews will be conducted with people who are involved with the administration, distribution, or oversight of the alcohol levy fund.

Interviews will be held with:

- Former Te Hiringa Hauora (part of the National Public Health Service)
- Te Hā Oranga (iwi healthcare provider)
- Te Aka Whai Ora
- Manatū Hauora
- Te Whatu Ora
- Alcohol Healthwatch
- Academics
- NGO treatment service providers
- Drug and Alcohol Practitioners Aotearoa New Zealand (DAPANZ)
- Healthline
- Industry peak body representatives (e.g., CHEERS)

The 15-20 short interviews over this period are intended to serve the dual purpose of whakawhanaungatanga (building strong relationships) and understanding the current policy settings relating to the levy, previous investment decisions, and developing a stakeholder engagement plan for the second stage of the project.



The stakeholder engagement plan will be developed in the first stage in order to create a strong foundation for the rest of the project. This will include the intended stakeholder interviews, focus groups, survey questions, and how the survey will be distributed. It is intended that the EAG will have strong input into the stakeholder engagement plan and methodology, and there will also be opportunity for the ALWG to participate in the development of the plan. The concepts of whakawhanaungatanga and manaakitanga - building genuine relationships, joint participation, and co-design models that benefit all parties involved - will provide the foundation for the development of the engagement plan.

3.3 Stage 1: Rapid review of current state (7 February – 31 March 2023)

3.3.1 Desk-based review and analysis

Desk based jurisdiction and environment scans

Concurrently, the *Allen + Clarke* team will undertake a desk-based review of a range of sources identified by Manatū Hauora. During this phase, *Allen + Clarke* will:

- Describe the total levy fund collected and other levies collected in Aotearoa New Zealand for a similar purpose, including for tobacco and gambling. Other levies that follow a cost-recovery model, such as the levies collected by the Accident Compensation Corporation and the Ministry for Primary Industries will also be included. There may also be international comparators (e.g. health promotion foundations funded through tobacco levies).
- Review the available information in Aotearoa New Zealand relating to the alcohol levy, including the Law Commission report and academic articles and studies.
- Describe the current focus of levy funding.
- Review comparative jurisdictions' approaches to alcohol levy at a high-level. Jurisdictions including Australia, Canada, and the United Kingdom will be considered.
- Conduct an environment scan focusing on research into 'by Māori, for Māori' approaches to the distribution of alcohol funding and the impact of alcohol-related harm on Māori and Pacific peoples.

Current levy settings and expenditure

Given the short timeframe for the first stage of the project, the analysis of the total levy fund, its impact on alcohol-related harm generally, and the analysis of whether the fund should be increased, will be done at a high level.

NZIER will review and summarise the current evidence on the cost of alcohol-related harm in Aotearoa New Zealand.

At a minimum this review will include:

- a literature review of Aotearoa New Zealand reports as well as major international reports published since the influential 2009 BERL report that found an annual societal cost of



alcohol-related harm of \$4.8 billion³ (updated with a conference presentation quoting a social cost of \$7.8 billion annually in 2018⁴). This will include literature that:

- o quantifies the cost of alcohol-related harms
- o estimates the impact of pricing and affordability on alcohol consumption and alcohol-related harms, including elasticities of demand.

To inform a recommendation on increasing the levy in 2023/24, NZIER will provide:

- a descriptive analysis of the total levy fund:
 - o with and without inflation adjustment (using the CPI and the food price index (FPI))
- in comparison with alcohol levies in other jurisdictions.
- an overview of methodological differences and the explicit and implicit assumptions that explain the range of results, to allow you to consider which evidence is more aligned with your definitions and objectives.
- descriptive analysis and visualisations of the data on alcohol available for sale (Alcohol Available for Consumption (Stats NZ)), patterns of alcohol consumption (NZ Health Survey) and household expenditure on alcohol (Household Economic Survey (HES) 2019, the affordability of alcohol (index of average hourly earnings from wages and salaries divided by the Consumer Price Index (Stats NZ)), identifying the current state and trends and differences between demographic groups to the extent that the data permits
- an assessment of the evidence gaps and areas of uncertainty and their significance to the alcohol levy
- in proportion to the alcohol excise tax take, the total value of alcohol sales, GDP
- compared with alcohol sales volumes, the share of the Aotearoa New Zealand population with an alcohol use disorder (noting the paradox that the majority of alcohol-related harm accrues to those that don't meet the criteria for alcohol use disorder) and estimates of the value of alcohol-related harm.

Based on any recommendation of increase in the alcohol levy, NZIER will provide an estimate of the total levy fund with breakdown by type of alcohol product to the extent that data permits and informed by the evidence on the impact of the alcohol levy on demand.

Sense-making

Following the synthesis of the findings collected during Stage 1, we propose holding a sense-making workshop with Manatū Hauora and the ALWG to discuss the emerging findings and to seek feedback to inform the interim report and refinement of the methodology for Stage 2.

The sensemaking session will be structured to address the following questions:

³ Stack, A., Business and Economic Research Limited (BERL), & Et al. (2009). *Costs of harmful and alcohol and other drug use*. BERL economics.

⁴ Nana, G. (2018). Alcohol costs – but, who pays? Presented at the Alcohol Action NZ Conference, Wellington, New Zealand.



- What is the significance of the findings?
- What is the implication of these findings to the wider project?
- What are the potential next steps for Manatū Hauora?

3.3.2 Interim reporting

An interim report will be developed that provides a summary of the current state of the alcohol levy in Aotearoa New Zealand, including an overview of how the levy compares to other sectors and jurisdictions and the health promotion activities that have previously been funded from the levy. The report will also provide commentary on the cost of alcohol-related harm. A draft report will be provided to Manatū Hauora by 15 March for feedback prior to being finalised by 31 March.

This interim report will draw out initial key themes relating to Māori and Pacific peoples, in a summary form. This information will be used to guide the stakeholder engagement in the second stage of the project, and further desk-based research and analysis.


The findings from the first stage of the project will culminate in short-term recommendations about the alcohol levy for the 2023/24 financial year. The report will meet publishing and accessibility standards such that Manatū Hauora can subsequently release it publicly if desired. As noted above these initial findings will be used to affirm, and iterate, if necessary, the methodology that can be used for the second stage of the project.



4.0 PROJECT TEAM

Allen + Clarke's proposed project team has been selected to reflect their extensive experience in health policy, research, stakeholder engagement (particularly with Māori), and regulatory design. We have purposefully chosen team members who can relate to the health sector.

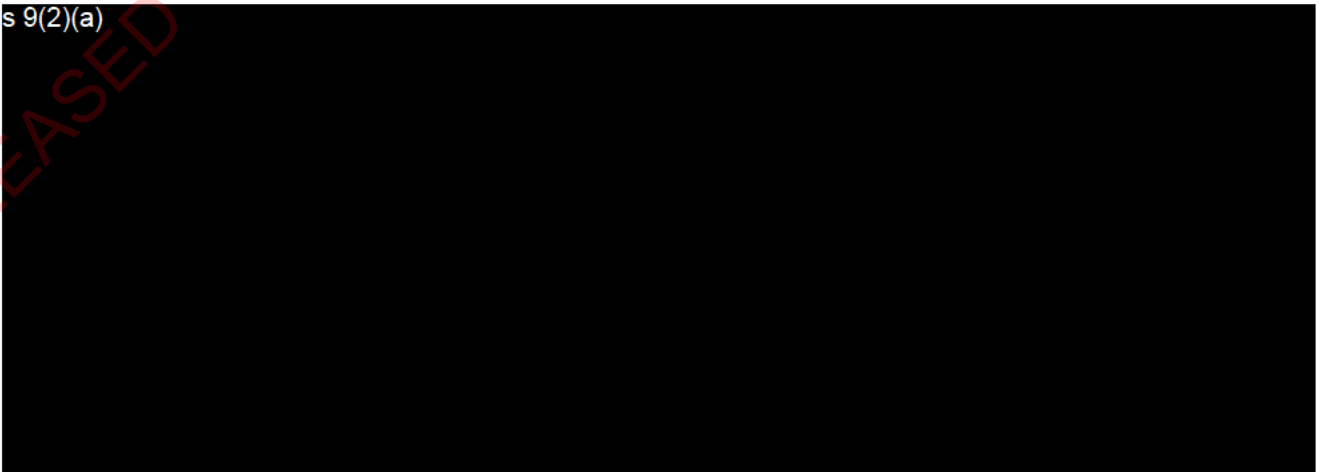
s 9(2)(a)



The roles, responsibilities and relevant experience of key team members are detailed below.

It should be noted that the core team will be undertaking the bulk of the work, seeking the advice and expertise of the technical advisors and experts when required.

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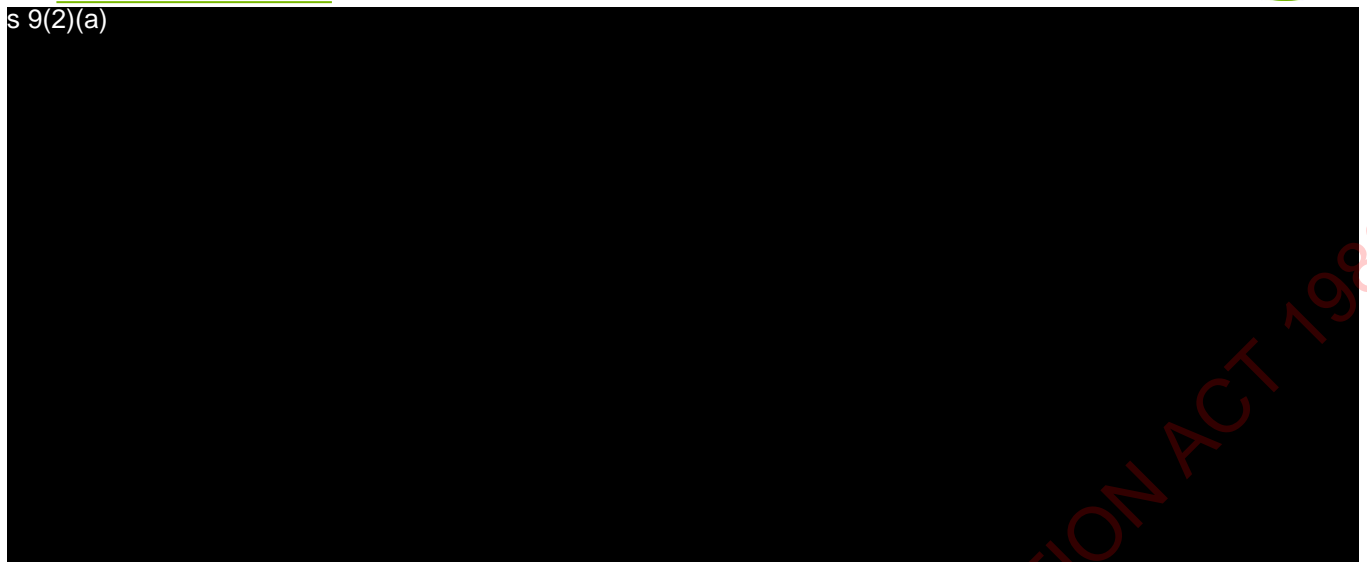


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4.1 Expert advisory group

The following members will be subcontracted to form the EAG:

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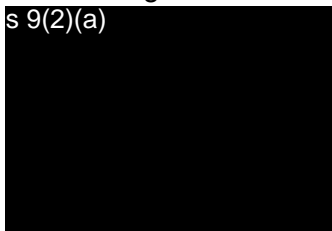
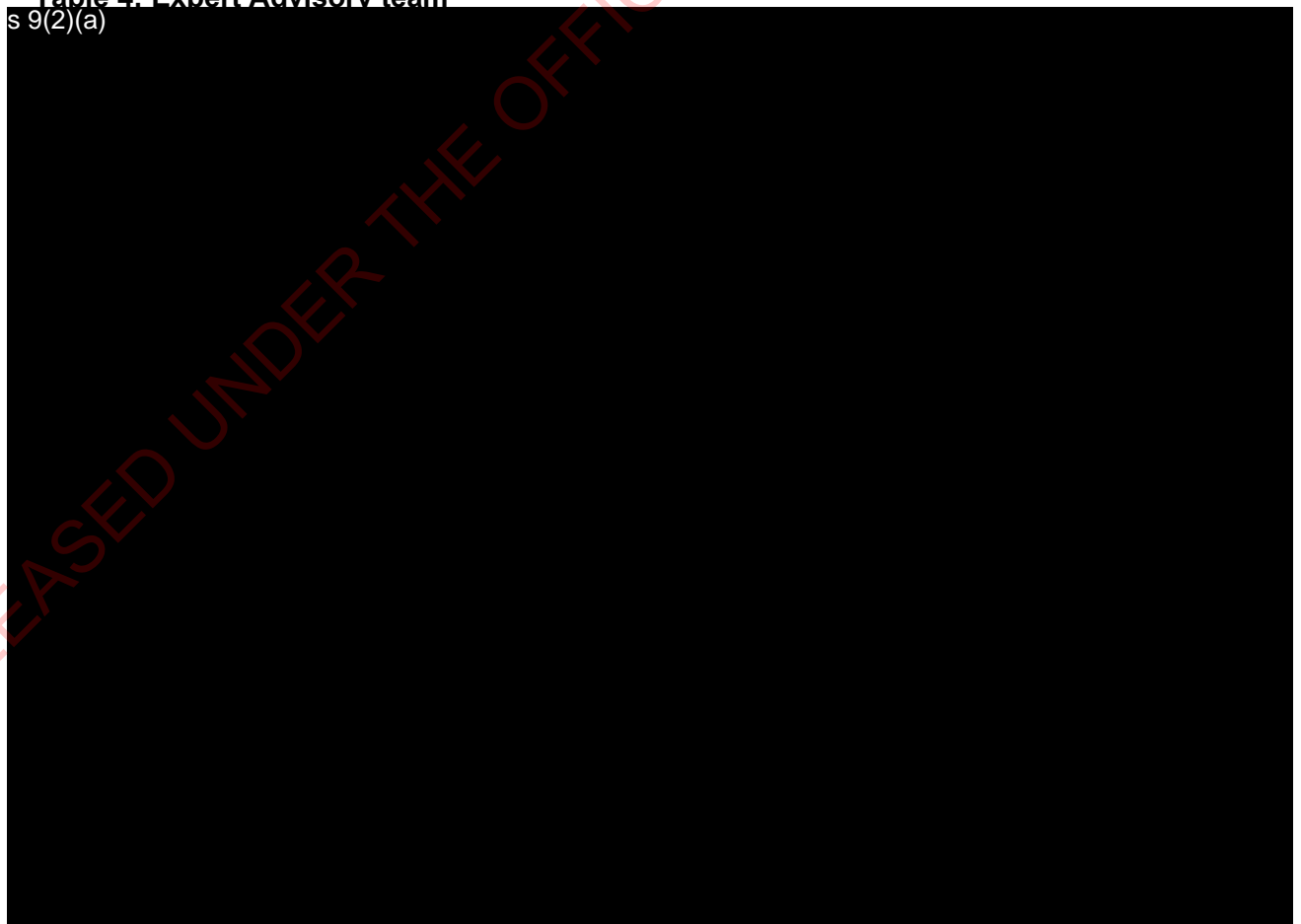


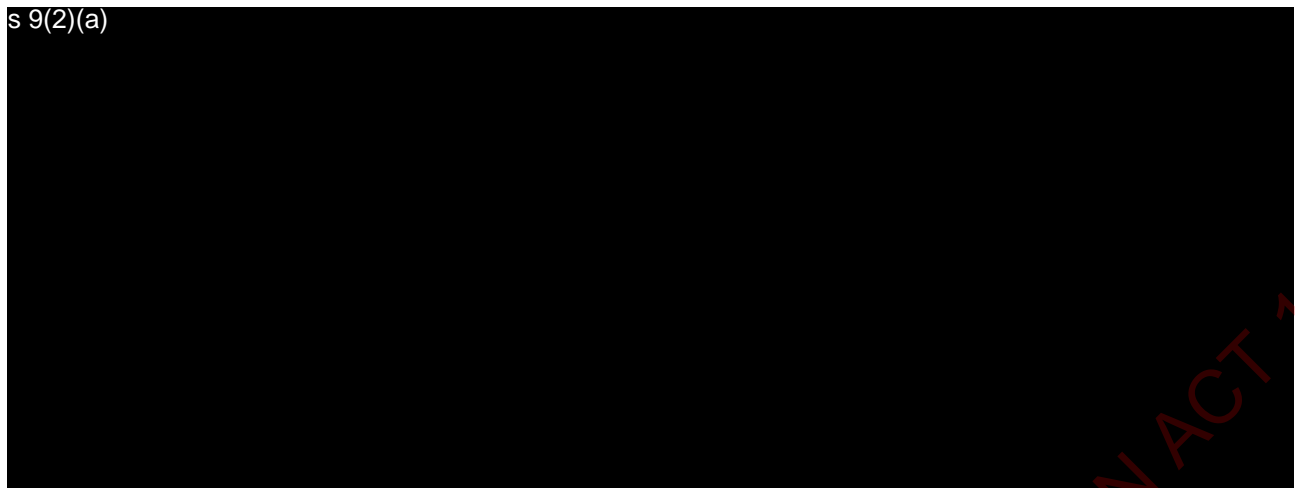
Table 4: Expert Advisory team

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5.0 PROJECT MANAGEMENT

Operationally, *Allen + Clarke* has internal procedures in place to ensure there is adequate time and appropriate resource allocated to deliver all our services to the highest standard, on time and within budget, which include the following actions:

- we have a Managing Partner who is responsible for establishing and monitoring implementation of *Allen + Clarke*-wide internal project management and quality assurance processes, including training of all staff on our internal project management and QA manual and 'how to' guides;
- all projects have a dedicated project manager who is responsible for delivering projects on time and to high quality;
- project managers develop and report against a project plan that is developed with the wider project team, with all project team members clear on their obligations;
- the project manager will maintain strong working relationships and close oversight of the project, with regular internal meetings to ensure that the project is running smoothly and efficiently;
- all projects also have a senior staff member acting as internal project sponsor, to whom the project manager regularly reports. This person is also available as a further contact point for clients; and
- we use Salesforce software for tracking milestones, deliverables, actions and tasks against timeframes and budgets, and across the entire project team.

By implementing the processes outlined above, the *Allen + Clarke* team consistently delivers products that are accurate, comprehensive, actionable, and concise. This framework also allows for customised approaches to client engagement to ensure client visibility of progress and emerging issues. The framework is complemented by the experienced project staff used to resource the project.

5.1 Risk identification and management

Allen + Clarke will actively identify, monitor and respond to potential risks throughout the duration of the project. Potential risks will be discussed with Manatū Hauora at the inception meeting, included in the project plan and included in regular reporting. Risk management is part of the team's commitment to ensuring the project is completed on time and meets Manatū Hauora's needs.

Potential risk and mitigation strategies are outlined in the table below.

Table 5: Risk Management

Risk	Probability	Impact	Risk mitigation and management
There are delays in the project, pushing out the proposed milestones.	Low	Medium	<i>Allen + Clarke</i> operates on a 'no surprises' basis. The project will be actively monitored and managed, and progress tracked, which will be shared with Manatū Hauora through periodic



Risk	Probability	Impact	Risk mitigation and management
			progress reports. We are also able to adjust resourcing and staging of work to avoid delays. Any indications of risk or potential delay would be raised and discussed early by our Project Manager.
The short timeframe for Stage 1 will not provide adequate time to provide interim recommendations to inform the levy settings for the 2023/24 financial year.	Low	High	<i>Allen + Clarke</i> will ensure that expectations are set clearly at the outset of the project, with demonstrable deliverables for the March deadline for the interim report. A thorough project plan will be developed and agreed and stakeholder interviews will be arranged as soon as possible if we are the successful provider. Assuming client expectations are reasonable we do not consider this a high probability of occurring.
We are unable to engage critical stakeholders within the timeframe	Low	Medium	We will engage early and well, doing our best to develop good rapport with stakeholders to assist with engagement. We will also draw on our years of experience and team members' natural skills in this space. We will work closely with Manatū Hauora to identify any issues early and develop a plan to address engagement.
Initial scoping activities reveal the need for a different project approach or change in project scope.	Medium	Medium	The Project Manager is skilled in navigating project scope and clearly identifying ongoing project needs. He will guide the team to pivot if needed, recognising that adaptability is part of the journey. Any potential change in scope or approach will be discussed and agreed Manatū Hauora.
The required data sources may not be readily available or immediately workable. It may be time-consuming to obtain and aggregate the data.	Medium	High	<i>Allen + Clarke</i> will work closely with Manatū Hauora to identify and access the data. Throughout the process of accessing and preparing the data for analysis we will keep Manatū Hauora updated about the quality of the data, any gaps and a suggested process for filling any gaps or addressing quality issues.
The deliverables are not well coordinated due to the number of subcontractors involved	Low	Medium	<i>Allen + Clarke</i> has a strong track record working with a range of different subcontractors. The project team includes a project coordinator



Risk	Probability	Impact	Risk mitigation and management
			role to ensure strong lines of communication between Allen + Clarke and the subcontractors and regular meetings are built into the project methodology.
A team member becomes unavailable, such as through poor health or leaves <i>Allen + Clarke</i>	Low	Low	Our internal project processes are such that team members keep good records of their work, and the Project Manager regularly monitors progress at activity and task level. This means that when it is necessary to introduce new people to the project, hand-over is smooth. <i>Allen + Clarke</i> is of sufficient size (over 100 employees) that team members can be replaced, if necessary, with suitably qualified and experienced colleagues.
The COVID-19 pandemic may affect the planned methodology	Medium	Medium	Interviews will be conducted using Zoom or other platforms such as MS Teams, if participants agree. <i>Allen + Clarke</i> has extensive experience in using both video and audio-conferencing technology successfully with a range of groups, and can comfortably adapt, and support stakeholders to adapt, to new circumstances to ensure project continuity. At <i>Allen + Clarke</i> , working flexibly is our norm. If required, our project team is well supported to work from home successfully.
The COVID-19 pandemic may affect project progress	Medium	Medium	We practice good risk management with Business Continuity Plans (BCP) in place for most of our projects. If widespread Omicron (or other readily transmissible variant of COVID-19) has a significant impact on project team members, we would implement those BCP plans. This includes calling on our wider organisation of talent, including our Melbourne office staff. We would be transparent with our clients, and communicate quickly and openly about any potential impacts on timeframes and deliverables. We may, like any other organisation, need to ask for flexibility.

From: s 9(2)(a) [redacted]@allenandclarke.co.nz>
Sent: Thursday, 23 February 2023 9:46 am
To: Kate Taptiklis; Rob O'Brien
Cc: s 9(2)(a) [redacted]
Subject: Alcohol levy review - project plan.stage 1 updated
Attachments: Alcohol levy review - project plan.stage 1 updated.docx; Draft Table of contents.docx

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Kate

Please see attached:

1. Updated Project Plan
2. Draft table of contents

Please feel free to distribute to working group members for feedback.

Below is an update on completed interviews that they may be interested in:

Name	Organisation
Out of scope	[redacted]
Kim Dougall	Te Aka Whai Ora
Cathy Bruce – ongoing conversations	Te Whatu Ora
Amanda Jones– ongoing conversations	Te Whatu Ora
Keith Newton– ongoing conversations	Te Whatu Ora
Derek Thompson– ongoing conversations	Te Whatu Ora
s 9(2)(a)	[redacted]

Happy to discuss

s
9



Alcohol levy review

Project plan – Stage 1

05 June 2024



Document 5

Allen + Clarke

Alcohol levy review – Manatū Hauora



Document status:	Draft – to be intermittently updated
Version and date:	V 1.0; 10/02/2023
Author(s):	s 9(2)(a)
Filing Location:	A+C/NZ - Work/MOH Public Health/2023 Alcohol Levy Review/Project Management
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Proof read:	
Formatting:	
Final QA check & approved release:	



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Quality
ISO 9001

Allen + Clarke has been independently certified as compliant with ISO9001:2015 Quality Management Systems

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1.0 BACKGROUND

The Pae Ora (Healthy Futures) Act 2022 (the Pae Ora Act) came into force in July last year as the legislative basis for the reform of the health system. Amongst the number of significant changes to the sector, Te Hiringa Hauora (formerly the Health Promotion Agency) was disestablished, and its functions were placed within the National Public Health Service within Te Whatu Ora. Te Hiringa Hauora previously received the total levy funding for the purpose of recovering costs incurred in addressing alcohol-related harm and in its other alcohol related activity.

Manatū Hauora now receives the levy fund collected as a result of the levy that is raised on all alcohol produced or imported for sale in Aotearoa New Zealand. Vote Health appropriation then distributes the levy across Manatū Hauora and Te Whatu Ora. The alcohol levy is collected at different rates for classes of different alcoholic beverages. The levy is calculated at a cost per litre of alcohol for each class.

The alcohol levy was previously collected in accordance with the New Zealand Public Health and Disability Act 2000 and relevant secondary legislation. With the reform of the health system, the alcohol levy is now collected in accordance with the Pae Ora Act.

All aspects of the Pae Ora Act must be read in light of its purpose, which is to provide for the public funding and provision of services in order to –

- a. protect, promote, and improve the health of all New Zealanders; and
- b. achieve equity in health outcomes among Aotearoa New Zealand's population groups, including striving to eliminate health disparities, in particular for Māori; and
- c. build towards pae ora (healthy futures) for all New Zealanders.

The Pae Ora Act also states that levies may be imposed for the purpose of Manatū Hauora recovering costs it incurs in addressing alcohol-related harm, and in its other alcohol-related activities.

The alcohol levy is hypothecated and is directed for the use of funding alcohol-related harm reduction programmes nationally, regionally, and locally.

The 2021/22 New Zealand Health Survey found that 79.1% of the adult population in Aotearoa New Zealand was a past-year drinker and approximately 19% of the total adult population were found to be hazardous drinkers. The use of alcohol is linked to disease, injury, death, and crime in a range of ways and has been found to cause harm to whānau and communities. In 2007, the World Health Organization identified alcohol consumption as an important risk factor for more than 60 different diseases. Dr Ganesh Nana estimated that alcohol-related harm in New Zealand costs approximately \$7.8 billion annually¹.

Manatū Hauora, as part of the Crown, is obliged to adhere to the principles of Te Tiriti o Waitangi. The 2019 Hauora report from the Waitangi Tribunal also recommended the following principles for the primary health care system which are applicable to the wider public health system:

¹ Nana, G. (2018). Alcohol costs – but, who pays? Presented at the Alcohol Action NZ Conference, Wellington, New Zealand.



- **Tino rangatiratanga:** The guarantee of tino rangatiratanga, which provides for Māori self-determination and mana motuhake in the design, delivery, and monitoring of health and disability services.
- **Equity:** The principle of equity, which requires the Crown to commit to achieving equitable health outcomes for Māori.
- **Active protection:** The principle of active protection, which requires the Crown to act, to the fullest extent practicable, to achieve equitable health outcomes for Māori. This includes ensuring that it, its agents, and its Treaty partner are well informed on the extent, and nature, of both Māori health outcomes and efforts to achieve Māori health equity.
- **Options:** The principle of options, which requires the Crown to provide for and properly resource kaupapa Māori health and disability services. Furthermore, the Crown is obliged to ensure that all health and disability services are provided in a culturally appropriate way that recognises and supports the expression of hauora Māori models of care.
- **Partnership:** The principle of partnership, which requires the Crown and Māori to work in partnership in the governance, design, delivery, and monitoring of health and disability services. Māori must be co-designers, with the Crown, of the primary health system for Māori.

We understand that, broadly, the alcohol related claims before the Tribunal allege that the Crown has failed to address, and in some cases has actively contributed to, disproportionately high rates of alcohol abuse amongst Māori, particularly among wāhine Māori and rangatahi Māori. We are aware that Tribunal-commissioned evidence already on the Wai 2575 Record of Inquiry discusses the alcohol levy.



2.0 SCOPE

This project will be an independent review of the alcohol levy system; including assessing the current state to inform the use of the levy funding for 2023/24 financial year, and an in-depth review to provide proposed options for a future state of the use of the alcohol levy and other alcohol-related harm reduction interventions.

This project plan outlines how **Phase 1** of the project will work.

This includes:

- An initial, fast-paced, review of the current state relating to the alcohol levy. This will include a summary of current evidence on the cost of alcohol-related harm, a summary of the levy and its impact as a public health intervention, a high-level financial summary of the current state of the levy, and an outline of the way the levy funding is spent.
- Recommendations to inform levy-setting for the 2023/24 financial year.

This work will have a strong Māori lens applied to every aspect to ensure that the deliverables reflect the role as a Treaty partner and work toward the purpose of the Pae Ora Act. The work will also include a strong Pacific lens to support achieving equity in health outcomes amongst all New Zealand's population groups.



3.0 METHODOLOGY

This section outlines how the work will be delivered. The methodology for Stage 2 will be updated, as required, to reflect the Stage 1 findings.

3.1 Overarching approach

Allen + Clarke's approach is grounded in the *he awa whiria* (braided rivers) approach, where both Māori and non-Māori streams of knowledge flow separately but interact over time and lead to the same destination. The value of this approach is that multiple worldviews can be explored and analysed in full without the pressure of one or more views having to conform to a majority opinion.

The Māori stream of knowledge, in the first stage, will include the interviews with Māori service providers, academics with te ao Māori expertise, Te Aka Whai Ora, and a desk-based review of evidence relating to alcohol-related harm for Māori.

In the second stage, it will include stakeholder engagement with Māori (particularly using wānanga), and further deeper research into the impact of alcohol-related harm on Māori and the impact of distribution of levy funding.

We believe that adopting the *he awa whiria* (braided rivers) approach recognises the Crown's unique relationship with Māori as a Treaty partner and tangata whenua, and the rights and obligations that government programmes must meet because of that special relationship. This approach also ensures that Māori and Pacific aspirations can be meaningfully included in the review.

NZIER will lead the economic analysis stream based on a comprehensive review of the most up-to-date data and evidence and the application of robust economic methods. *Allen + Clarke* will manage the different streams to ensure that there are touch points throughout the project where key learnings and information from each workstream are shared, and that the overall programme is aligned and will be delivered as expected.

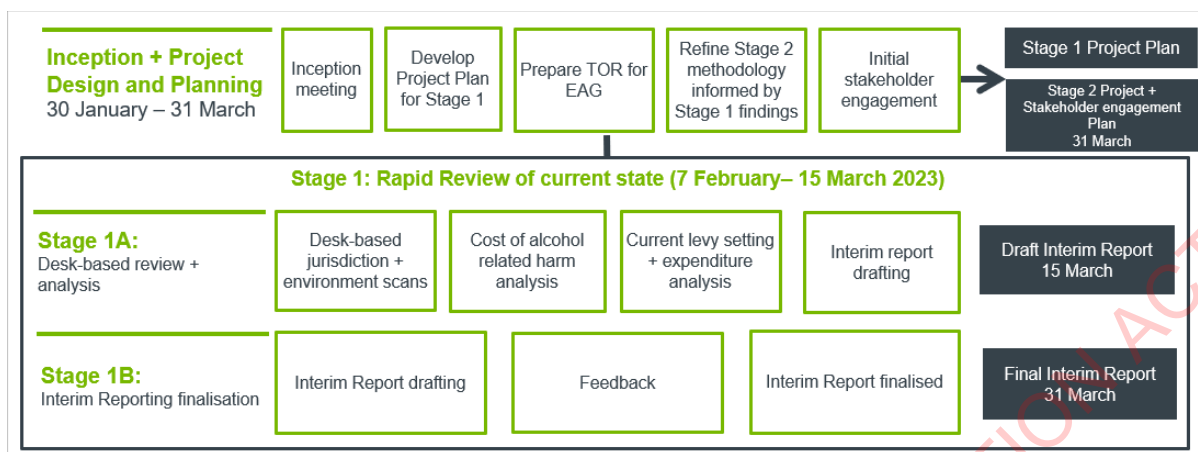
The supplied AoG Consultancy Services Order stated that the work will need to be undertaken in two stages; the review of current state and provision of interim recommendations, and a full review of the alcohol levy. Our proposed approach reflects those two substantive stages, with a planning element overlaid across both stages.

If *Allen + Clarke* is successful with our proposal, Stage 1 will occur within a short timeframe with clear deliverables, methodology and budget. The second stage will continue to be refined after the project commences to ensure that all relevant information and insights are appropriately incorporated into the methodology.

Each stage will culminate in a milestone which includes the completion of key project deliverables. The phases have been designed to reflect the logical, sequential nature of the work and to ensure that the critical inputs to each stage have been produced and are available in a timely manner. **Figure 1** presents the phases, which are then described in more detailed below.



Figure 1 Summary of Methodology



3.2 Inception and project design

Given the nature of the work, there is a planning and project design stream of work that sits across both stages in order to ensure success.

This includes:

- the initial inception meeting and later project meetings with the Alcohol Levy Working Group (ALWG)
- the development and continued iterations of this project plan
- the development of the terms of reference for the expert advisory group
- the refinement of the Stage 2 methodology based on the findings of Stage 1, and
- the development and refinement of the stakeholder engagement plan.

This will enable Manatū Hauora and *Allen + Clarke* to agree the scope of services to be provided, including the expected standard of service. This will be done rapidly, and based on this proposal, in order to maximise the time available to undertake Stage 1 of the work.

We will use our on-line project management software, Salesforce, as a basis for our management of the delivery of services. This enables us to plan the project out, track progress, issue reports and identify and manage risks effectively.

Allen + Clarke will ensure regular liaison with Manatū Hauora, including fortnightly or monthly meetings and/or email reports if required.

Oversight and expert advice

Allen + Clarke believes that this project would greatly benefit from partnering with people in Aotearoa New Zealand who have expert knowledge relating to alcohol-related harm. An expert advisory group has been established to assist with the project.

This advisory group has expertise in kaupapa Māori and Māori centred approaches, Māori health, and Pacific health - particularly relating to alcohol use and alcohol-related harm - and public health. The expert advisory group (EAG) will be engaged regularly by the project team



to assist with the refinement of the project methodology, advise on technical elements of the project, assist with research and insights where required, and provide technical review of deliverables. A terms of reference has been drafted to establish the working relationship with the EAG.

The EAG is made up of:

- s 9(2)(a)
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Initial engagement with key stakeholders and development of stakeholder engagement plan

Interviews will be conducted with people who are involved with the administration, distribution, or oversight of the alcohol levy fund.

Interviews will be held with:

- Former Te Hiringa Hauora (part of the National Public Health Service)
- Te Hā Oranga (iwi healthcare provider)
- Te Aka Whai Ora
- Manatū Hauora
- Te Whatu Ora
- Alcohol Healthwatch
- Academics
- NGO treatment service providers
- Drug and Alcohol Practitioners Aotearoa New Zealand (DAPANZ)
- Healthline
- Industry peak body representatives (e.g., CHEERS)

The 15-20 short interviews over this period are intended to serve the dual purpose of whakawhanaungatanga (building strong relationships) and understanding the current policy settings relating to the levy, previous investment decisions, and developing a stakeholder engagement plan for the second stage of the project.

The stakeholder engagement plan will be developed in the first stage in order to create a strong foundation for the rest of the project. This will include the intended stakeholder interviews, focus groups, survey questions, and how the survey will be distributed. It is intended that the EAG will have strong input into the stakeholder engagement plan and methodology. The concepts of whakawhanaungatanga and manaakitanga - building genuine relationships, joint participation, and co-design models that benefit all parties involved - will provide the foundation for the development of the engagement plan.



3.3 Stage 1: Rapid review of current state (7 February – 31 March 2023)

3.3.1 Desk-based review and analysis

Desk based jurisdiction and environment scans

Concurrently, the *Allen + Clarke* team will undertake a desk-based review of a range of sources identified by Manatū Hauora. During this phase, *Allen + Clarke* will:

- Describe the total levy fund collected and other levies collected in Aotearoa New Zealand for a similar purpose, including for tobacco and gambling. Other levies that follow a cost-recovery model, such as the levies collected by the Accident Compensation Corporation and the Ministry for Primary Industries will also be included. There may also be international comparators (e.g. health promotion foundations funded through tobacco levies).
- Review the available information in Aotearoa New Zealand relating to the alcohol levy, including the Law Commission report and academic articles and studies.
- Describe the current focus of levy funding.
- Review comparative jurisdictions' approaches to alcohol levy at a high-level. Jurisdictions including Australia, Canada, and the United Kingdom will be considered.
- Conduct an environment scan focusing on research into 'by Māori, for Māori' approaches to the distribution of alcohol funding and the impact of alcohol-related harm on Māori and Pacific peoples.

Current levy settings and expenditure

Given the short timeframe for the first stage of the project, the analysis of the total levy fund, its impact on alcohol-related harm generally, and the analysis of whether the fund should be increased, will be done at a high level.

NZIER will review and summarise the current evidence on the cost of alcohol-related harm in Aotearoa New Zealand.

At a minimum this review will include:

- a literature review of Aotearoa New Zealand reports as well as major international reports published since the influential 2009 BERL report that found an annual societal cost of alcohol-related harm of \$4.8 billion² (updated with a conference presentation quoting a social cost of \$7.8 billion annually in 2018³). This will include literature that:
 - quantifies the cost of alcohol-related harms

² Stack, A., Business and Economic Research Limited (BERL), & Et al. (2009). *Costs of harmful and alcohol and other drug use*. BERL economics.

³ Nana, G. (2018). Alcohol costs – but, who pays? Presented at the Alcohol Action NZ Conference, Wellington, New Zealand.



- estimates the impact of pricing and affordability on alcohol consumption and alcohol-related harms, including elasticities of demand.

To inform a recommendation on increasing the levy in 2023/24, NZIER will provide:

- a descriptive analysis of the total levy fund:
 - with and without inflation adjustment (using the CPI and the food price index (FPI))
- in comparison with alcohol levies in other jurisdictions.
- an overview of methodological differences and the explicit and implicit assumptions that explain the range of results, to allow you to consider which evidence is more aligned with your definitions and objectives.
- descriptive analysis and visualisations of the data on alcohol available for sale (Alcohol Available for Consumption (Stats NZ)), patterns of alcohol consumption (NZ Health Survey) and household expenditure on alcohol (Household Economic Survey (HES) 2019, the affordability of alcohol (index of average hourly earnings from wages and salaries divided by the Consumer Price Index (Stats NZ)), identifying the current state and trends and differences between demographic groups to the extent that the data permits
- an assessment of the evidence gaps and areas of uncertainty and their significance to the alcohol levy
- in proportion to the alcohol excise tax take, the total value of alcohol sales, GDP
- compared with alcohol sales volumes, the share of the Aotearoa New Zealand population with an alcohol use disorder (noting the paradox that the majority of alcohol-related harm accrues to those that don't meet the criteria for alcohol use disorder) and estimates of the value of alcohol-related harm.

Based on any recommendation of increase in the alcohol levy, NZIER will provide an estimate of the total levy fund with breakdown by type of alcohol product to the extent that data permits and informed by the evidence on the impact of the alcohol levy on demand.

Sense-making

Following the synthesis of the findings collected during Stage 1, we propose holding a sense-making workshop with Manatū Hauora to discuss the emerging findings and to seek feedback to inform the interim report and refinement of the methodology for Stage 2.

The sensemaking session will be structured to address the following questions:

- What is the significance of the findings?
- What is the implication of these findings to the wider project?
- What are the potential next steps for Manatū Hauora?

3.3.2 Interim reporting

An interim report will be developed that provides a summary of the current state of the alcohol levy in Aotearoa New Zealand, including an overview of how the levy compares to other sectors and jurisdictions and the health promotion activities that have previously been funded from the levy. The report will also provide commentary on the cost of alcohol-related

Document 5

Allen + Clarke

Alcohol levy review – Manatū Hauora



harm. A draft report will be provided to Manatū Hauora by 15 March for feedback prior to being finalised by 31 March.

This interim report will draw out initial key themes relating to Māori and Pacific peoples, in a summary form. This information will be used to guide the stakeholder engagement in the second stage of the project, and further desk-based research and analysis.

The findings from the first stage of the project will culminate in short-term recommendations about the alcohol levy for the 2023/24 financial year. The report will meet publishing and accessibility standards such that Manatū Hauora can subsequently release it publicly if desired. As noted above these initial findings will be used to affirm, and iterate, if necessary, the methodology that can be used for the second stage of the project.



4.0 PROJECT TEAM

Allen + Clarke's proposed project team has been selected to reflect their extensive experience in health policy, research, stakeholder engagement (particularly with Māori), and regulatory design. We have purposefully chosen team members who can relate to the health sector.

Figure 2: Proposed Team

s 9(2)(a)

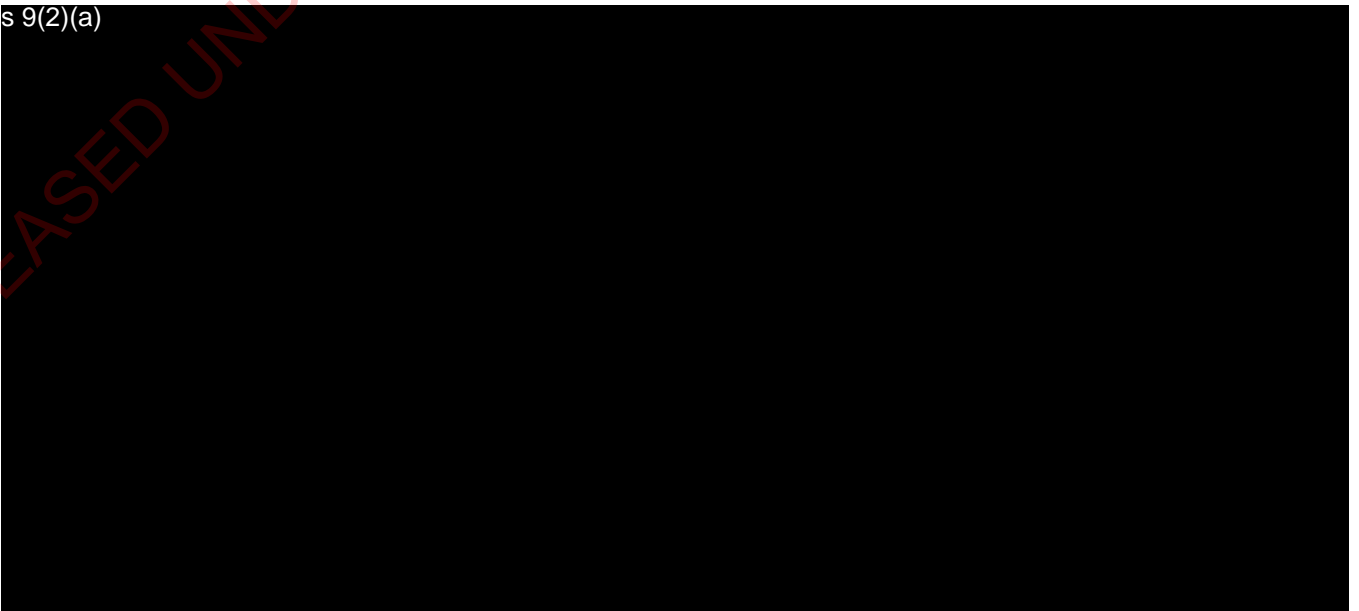


The roles, responsibilities and relevant experience of key team members are detailed below.

It should be noted that the core team will be undertaking the bulk of the work, seeking the advice and expertise of the technical advisors and experts when required.

Table 1: Proposed Team

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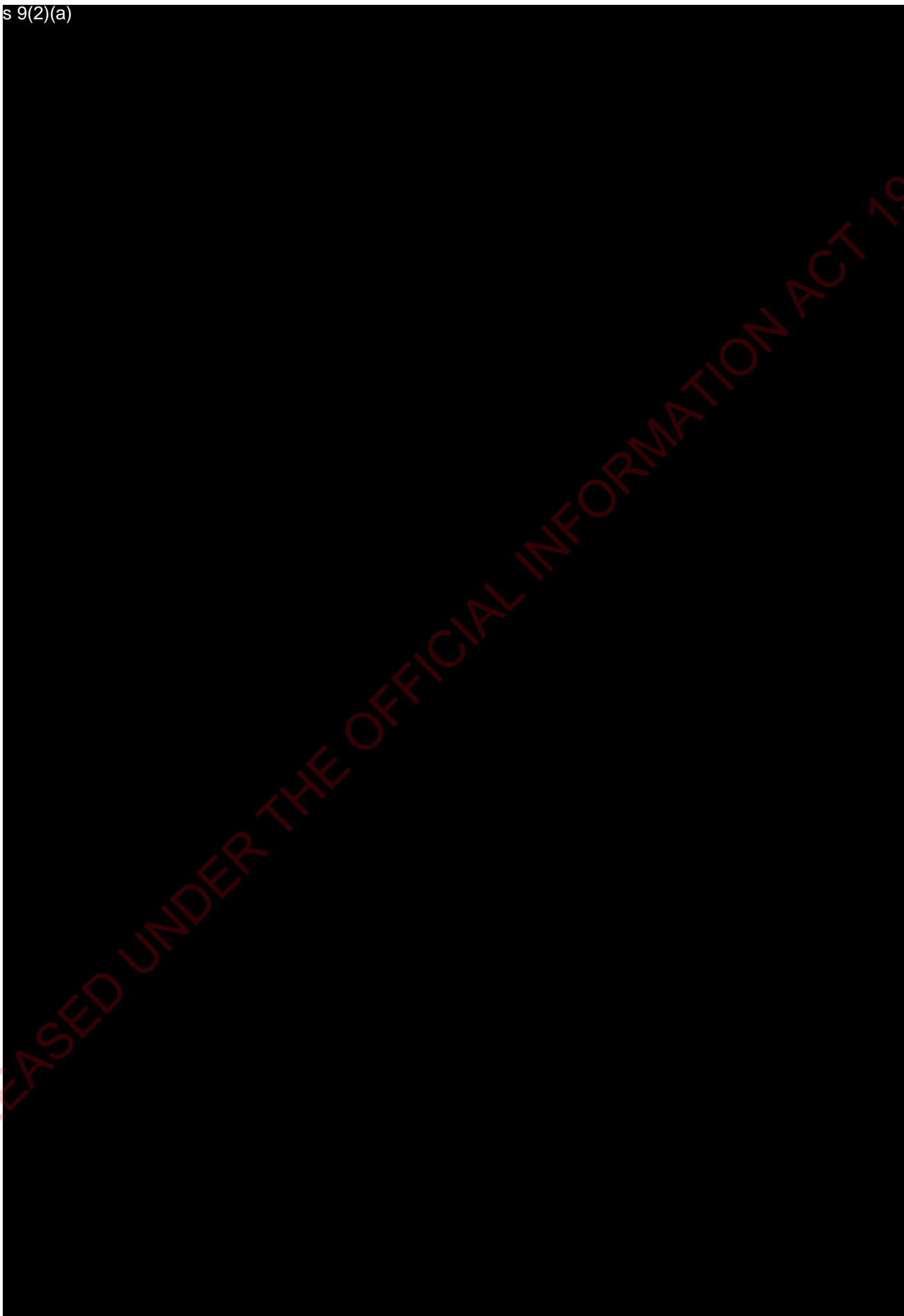


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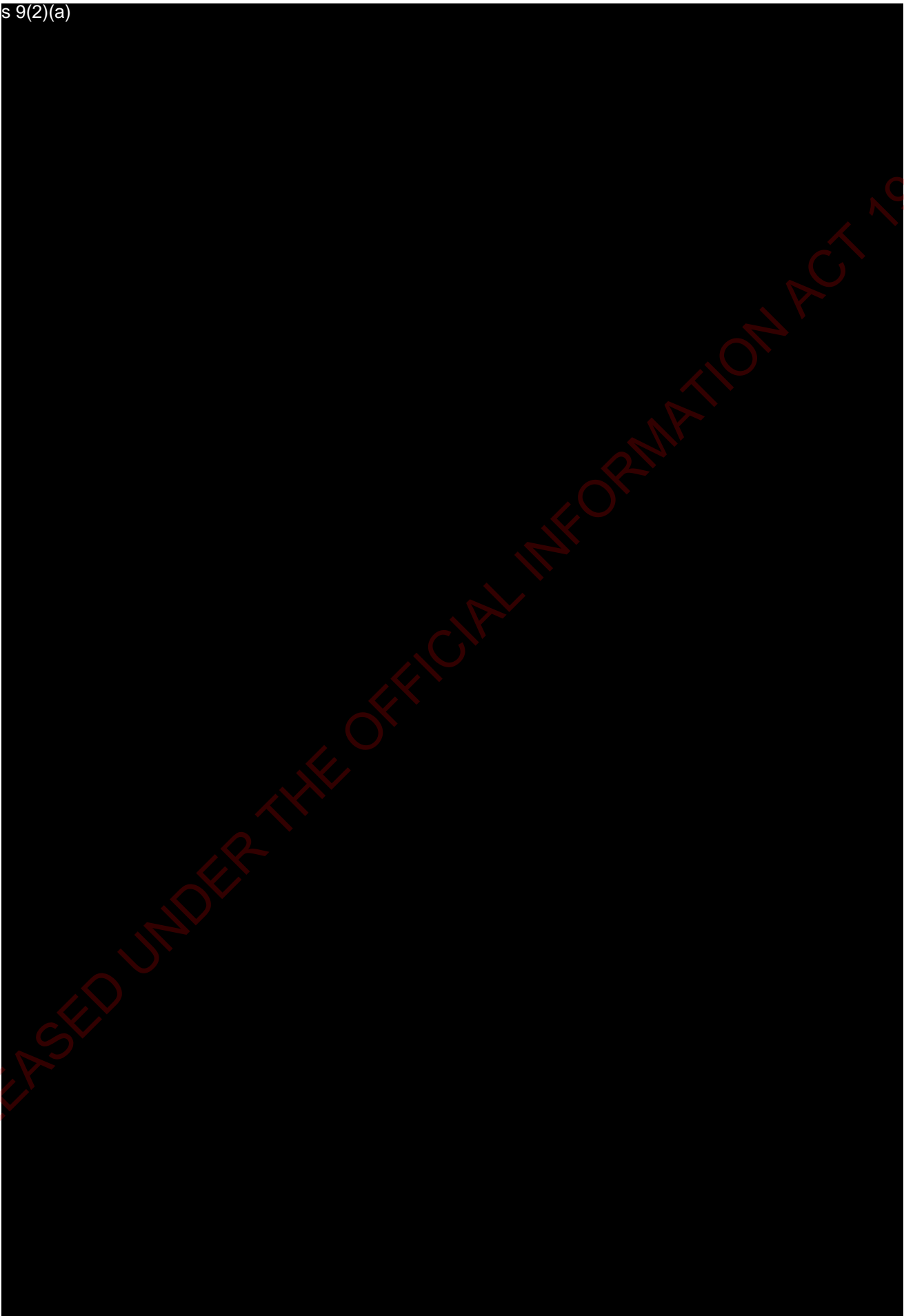


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5.0 PROJECT MANAGEMENT

Operationally, *Allen + Clarke* has internal procedures in place to ensure there is adequate time and appropriate resource allocated to deliver all our services to the highest standard, on time and within budget, which include the following actions:

- we have a Managing Partner who is responsible for establishing and monitoring implementation of *Allen + Clarke*-wide internal project management and quality assurance processes, including training of all staff on our internal project management and QA manual and 'how to' guides;
- all projects have a dedicated project manager who is responsible for delivering projects on time and to high quality;
- project managers develop and report against a project plan that is developed with the wider project team, with all project team members clear on their obligations;
- the project manager will maintain strong working relationships and close oversight of the project, with regular internal meetings to ensure that the project is running smoothly and efficiently;
- all projects also have a senior staff member acting as internal project sponsor, to whom the project manager regularly reports. This person is also available as a further contact point for clients; and
- we use Salesforce software for tracking milestones, deliverables, actions and tasks against timeframes and budgets, and across the entire project team.

By implementing the processes outlined above, the *Allen + Clarke* team consistently delivers products that are accurate, comprehensive, actionable, and concise. This framework also allows for customised approaches to client engagement to ensure client visibility of progress and emerging issues. The framework is complemented by the experienced project staff used to resource the project.

5.1 Risk identification and management

Allen + Clarke will actively identify, monitor and respond to potential risks throughout the duration of the project. Potential risks will be discussed with Manatū Hauora at the inception meeting, included in the project plan and included in regular reporting. Risk management is part of the team's commitment to ensuring the project is completed on time and meets Manatū Hauora's needs.

Potential risk and mitigation strategies are outlined in the table below.

Table 5: Risk Management

Risk	Probability	Impact	Risk mitigation and management
There are delays in the project, pushing out the proposed milestones.	Low	Medium	<i>Allen + Clarke</i> operates on a 'no surprises' basis. The project will be actively monitored and managed, and progress tracked, which will be shared with Manatū Hauora through periodic



Risk	Probability	Impact	Risk mitigation and management
			progress reports. We are also able to adjust resourcing and staging of work to avoid delays. Any indications of risk or potential delay would be raised and discussed early by our Project Manager.
The short timeframe for Stage 1 will not provide adequate time to provide interim recommendations to inform the levy settings for the 2023/24 financial year.	Low	High	<i>Allen + Clarke</i> will ensure that expectations are set clearly at the outset of the project, with demonstrable deliverables for the March deadline for the interim report. A thorough project plan will be developed and agreed and stakeholder interviews will be arranged as soon as possible if we are the successful provider. Assuming client expectations are reasonable we do not consider this a high probability of occurring.
We are unable to engage critical stakeholders within the timeframe	Low	Medium	We will engage early and well, doing our best to develop good rapport with stakeholders to assist with engagement. We will also draw on our years of experience and team members' natural skills in this space. We will work closely with Manatū Hauora to identify any issues early and develop a plan to address engagement.
Initial scoping activities reveal the need for a different project approach or change in project scope.	Medium	Medium	The Project Manager is skilled in navigating project scope and clearly identifying ongoing project needs. He will guide the team to pivot if needed, recognising that adaptability is part of the journey. Any potential change in scope or approach will be discussed and agreed Manatū Hauora.
The required data sources may not be readily available or immediately workable. It may be time-consuming to obtain and aggregate the data.	Medium	High	<i>Allen + Clarke</i> will work closely with Manatū Hauora to identify and access the data. Throughout the process of accessing and preparing the data for analysis we will keep Manatū Hauora updated about the quality of the data, any gaps and a suggested process for filling any gaps or addressing quality issues.
The deliverables are not well coordinated due to the number of subcontractors involved	Low	Medium	<i>Allen + Clarke</i> has a strong track record working with a range of different subcontractors. The project team includes a project coordinator



Risk	Probability	Impact	Risk mitigation and management
			role to ensure strong lines of communication between Allen + Clarke and the subcontractors and regular meetings are built into the project methodology.
A team member becomes unavailable, such as through poor health or leaves <i>Allen + Clarke</i>	Low	Low	Our internal project processes are such that team members keep good records of their work, and the Project Manager regularly monitors progress at activity and task level. This means that when it is necessary to introduce new people to the project, hand-over is smooth. <i>Allen + Clarke</i> is of sufficient size (over 100 employees) that team members can be replaced, if necessary, with suitably qualified and experienced colleagues.
The COVID-19 pandemic may affect the planned methodology	Medium	Medium	Interviews will be conducted using Zoom or other platforms such as MS Teams, if participants agree. <i>Allen + Clarke</i> has extensive experience in using both video and audio-conferencing technology successfully with a range of groups, and can comfortably adapt, and support stakeholders to adapt, to new circumstances to ensure project continuity. At <i>Allen + Clarke</i> , working flexibly is our norm. If required, our project team is well supported to work from home successfully.
The COVID-19 pandemic may affect project progress	Medium	Medium	We practice good risk management with Business Continuity Plans (BCP) in place for most of our projects. If widespread Omicron (or other readily transmissible variant of COVID-19) has a significant impact on project team members, we would implement those BCP plans. This includes calling on our wider organisation of talent, including our Melbourne office staff. We would be transparent with our clients, and communicate quickly and openly about any potential impacts on timeframes and deliverables. We may, like any other organisation, need to ask for flexibility.

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5.3 Community investment.....	Error! Bookmark not defined.
6.0 Recommendations	Error! Bookmark not defined.

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From: Kate Taptiklis
Sent: Thursday, 2 March 2023 3:20 pm
To: Derek Thompson; s 9(2)(a)
Cc: Alison Cossar; Rob O'Brien; Keith Newton; Anna-Lee Annett; Dean Rangihuna; s 9(2)(a)
Cathy Bruce; Amanda Jones
Subject: RE: ALWG update meeting with Allen + Clarke - and updated version of contents page for review and feedback
Attachments: Draft Table of contents.docx - KT feedback.docx
Follow Up Flag: Follow up
Flag Status: Flagged

Thanks for your feedback Derek, sorry a bit delayed on this, but I have added a round up/looking ahead discussion section to the contents page too – tracked in the attached.

We can discuss this again further at our A+C/ALWG meeting next Thursday as well. s 9(2)(a) – are you able to extend that meeting to be an hour, as there will be quite a bit to cover next week as we head towards the draft report. Anyone who can't stay on the meeting can dip out 😊

Thanks
Kate

From: Derek Thompson <D.Thompson@hpa.org.nz>
Sent: Monday, 27 February 2023 11:20 am
To: Kate Taptiklis <Kate.Taptiklis@health.govt.nz>
Cc: Alison Cossar <Alison.Cossar@health.govt.nz>; Rob O'Brien <Robert.O'Brien@health.govt.nz>; Derek Thompson <d.thompson@hpa.org.nz>; Keith Newton <k.newton@hpa.org.nz>; Anna-Lee Annett <Anna-Lee.Annett@health.govt.nz>; Dean Rangihuna <Dean.Rangihuna@health.govt.nz>; s 9(2)(a)
s 9(2)(a) @allenandclarke.co.nz; s 9(2)(a) @allenandclarke.co.nz; Cathy Bruce <C.Bruce@hpa.org.nz>
Subject: FW: ALWG update meeting with Allen + Clarke - and updated version of contents page for review and feedback

Kia ora Kate

One suggestion from me for heading number 7.0 of the contents page I suggest changing to “Evidence for harm reduction interventions” – my rationale is that this is a slightly broader focus and would not preclude inclusion of evidence for effectiveness where this is available. We know that at a Population prevention level evidence is often too expensive to capture in order to provide proof or is fraught with inherent data capture, accuracy problems which often preclude clarity of knowledge.

Kind regards

Derek Thompson

**Manager Alcohol Policy & Advice,
Health Promotion,
National Public Health Service**

waea pūkoro: s 9(2)(a) | īmēra: D.Thompson@hpa.org.nz
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PO Box 2142
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Te Whatu Ora
Health New Zealand

Document 7

Te Whatu Ora – Health New Zealand
TeWhatuOra.govt.nz

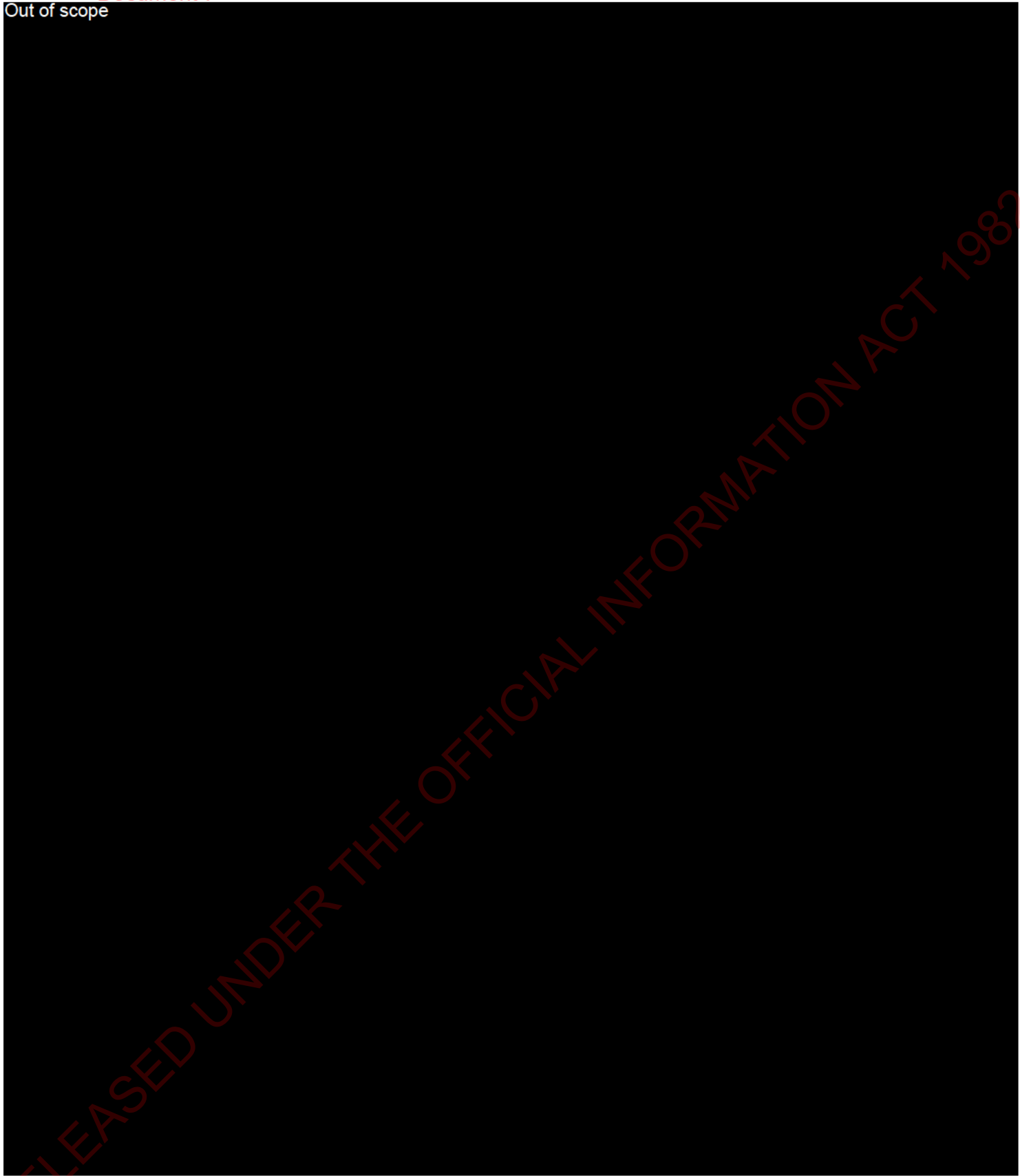
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6.0 Recommendations	Error! Bookmark not defined.

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From: s 9(2)(a) <[redacted]@allenandclarke.co.nz>
Sent: Thursday, 6 April 2023 3:53 pm
To: Kate Taptiklis
Cc: Alison Cossar
Subject: Slides
Attachments: Principles and Scope initial thoughts for feedback.pptx; Principles and Scope initial thoughts for feedback.pdf

Follow Up Flag: Follow up
Flag Status: Completed

Here are slides, slightly updated in both PPT and PDF format for review and feedback.

M



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Stage 2: Principles

Tika

Tika refers to what is right and what is good for any particular situation. In the context of this project, tika ensures that the project achieves the proposed outcomes, and ensures participants voices are heard by decision makers.

Pono

Pono encompasses both truth and genuineness. In the context of this project, pono will ensure that participants are fully informed and that our engagement with them acknowledges their individual and collective mana. Honesty and integrity underpin this approach.

Ōritetanga

Ōritetanga is fairness and in the context of this project will be ensured through the lens of equitable outcomes. Ōritetanga will guide and inform our methodology, analysis and recommendations.

Aroha

Aroha refers to empathy and compassion. Manaakitanga, partnership, and whanaungatanga underpin all aspects of this project.

Tino

Rangatiratanga

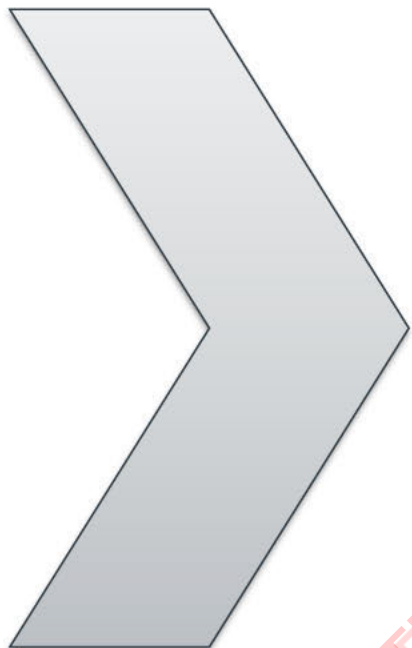
Tino Rangatiratanga is the authority for Māori to be self-determining. In the context of this project Tino Rangatiratanga will privilege Māori aspirations for Māori.

Te Tiriti o Waitangi

Te Tiriti o Waitangi is foundational and is at the forefront of planning, engagement, and analysis across this project.

Key Elements of Stage 2 analysis

What is the future of the alcohol levy in the new Pae Ora Context?



Cost of alcohol-related harms

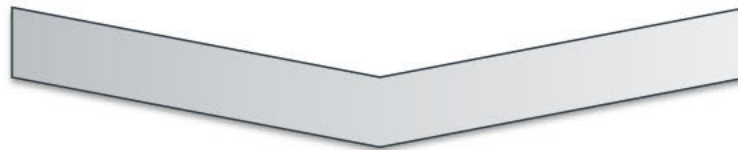
- Identify and quantify cost of alcohol-related harms experienced by each of the health, social, and justice sectors; where possible disaggregating by ethnicity

Evaluate levy in new context:

- Role of levy in reducing alcohol-related harms
- Relationship between levy and excise tax, ACC etc
- Relationship between levy activities and core government funding
- Levy setting formula
- Mapping of wider alcohol harm-reduction context

Harm-reduction activities

- Review of current allocations (focus on Māori, Pacific, others?)
- Future state (focus on Māori, Pacific, others?)



Report and Recommendations

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From: s 9(2)(a) <[redacted]@allenandclarke.co.nz>
Sent: Wednesday, 26 April 2023 12:44 pm
To: Kate Taptiklis
Subject: FW: Project planning for discussion.pptx
Attachments: Project planning for discussion.pdf



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Sent: Wednesday, April 26, 2023 12:20 PM
To: Kate Taptiklis <Kate.Taptiklis@health.govt.nz>
Cc: Alison Cossar <Alison.Cossar@health.govt.nz>
Subject: Project planning for discussion.pptx

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Stage 2: Principles

Tika

Tika refers to doing what is right and good in various situations. In the context of this project, tika ensures that the project undertakes necessary and appropriate actions to achieve the proposed outcomes, whilst ensuring participants voice is included in this project.

Pono

Pono encompasses both truth and genuineness. In the context of this project, pono will ensure genuine and transparent engagement with participants that acknowledges their individual and collective mana, as well as ensuring participants are fully informed about the nature and purpose of this project. Honesty and integrity underpin this approach.

Ōritetanga

Ōritetanga is about fairness and justice. In the context of this project Ōritetanga will be ensured through the lens of equitable outcomes. Ōritetanga will guide and inform our methodology, analysis and recommendations..

Aroha

Aroha refers to empathy and compassion. Manaakitanga, partnership, and whanaungatanga underpin all aspects of this project.

Tino

Rangatiratanga

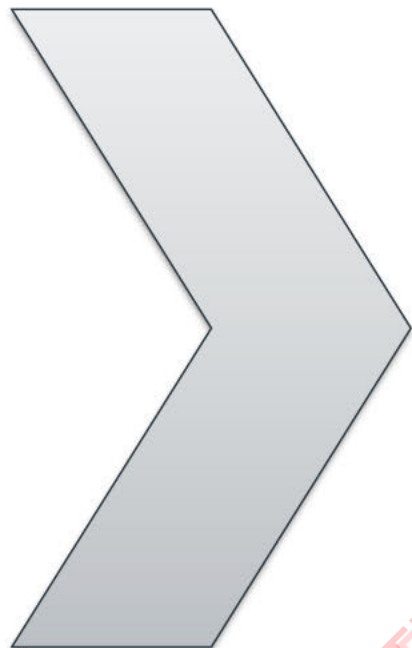
Tino Rangatiratanga is the authority for Māori to be self-determining. In the context of this project Tino Rangatiratanga will be reflected in the privileging of Māori aspirations for Māori.

Te Tiriti o Waitangi

Te Tiriti o Waitangi is foundational and is at the forefront of planning, engagement, and analysis and recommendations across this project.

Key Elements of Stage 2 analysis

What is the future of the alcohol levy in the new Pae Ora Context?



Cost of alcohol-related harms

- Identify and quantify cost of alcohol-related harms experienced by each of the health, social, and justice sectors; where possible disaggregating by ethnicity
- Identify gaps in data in particular relating to Māori (including intergenerational harms)

Evaluate levy in new context:

- Role of levy in reducing alcohol-related harms
- Relationship between levy and excise tax, ACC etc
- Relationship between levy activities and core government funding
- Levy setting formula
- Mapping of wider alcohol harm-reduction context

Harm-reduction activities

- Review of current allocations (focus on Māori, Pacific, others?) and whether it has led to any meaningful change
- Future state (focus on Māori, Pacific, others?)



Report and Recommendations

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Research problem

Problem statement

Research question

Alcohol related harm is a significant public health issue in New Zealand. The Ministry of Health has a duty to protect and promote people’s health and wellbeing in relation to alcohol related harm. The Ministry may impose a levy for the purpose of enabling it to recover costs it incurs in addressing alcohol related harm and in its other alcohol related activities. To carry out its duty to protect and promote people’s health and wellbeing in relation to alcohol, the Ministry needs to understand whether it is appropriate to collect, administer, and invest a hypothecated levy on alcohol.

Alcohol related harm has not significantly decreased in the past 11 years despite the collection, administration, and investment of a levy hypothecated to alcohol harm reduction.

Alcohol-related harm results in significant costs to individuals, communities, and the government. When people experience alcohol-related harm, the Ministry has failed to carry out its duty to protect and promote people’s health and wellbeing. Addressing this problem will assist the Ministry to carry out its duty to protect and promote people’s health and wellbeing in relation to alcohol, and will contribute to an equitable health system.

The aim of this research is to determine whether the collection, administration, and investment of a hypothecated levy on alcohol by the Ministry of Health is an appropriate strategy for protecting and promoting people’s health and wellbeing in relation to alcohol related harm. Qualitative methods will be used to identify individuals’, communities’, and the government’s views on whether this is appropriate, and a literature review will be conducted to identify any relevant academic consensus.

How appropriate is the collection, administration, governance, and investment of a hypothecated levy on alcohol, by the Ministry of Health, as a strategy to protect and promote people's health and wellbeing in relation to alcohol-related harm?

- A) What are the options for the Ministry to meet its obligations to Māori under te Tiriti in relation to alcohol related harm?
- B) In the New Zealand context, what are the options for the collection, administration, governance, and investment of any fund for protecting people’s health and wellbeing in relation to alcohol-related harm?
- C) What are stakeholders’ perceptions of how funds for alcohol harm reduction could most effectively be collected, administered, governed, and invested?
- D) How are funds for alcohol harm reduction most effectively collected, administered, governed, and invested ?

Key areas of inquiry

LEVY IN THE NEW CONTEXT

- What is the role of levy in reducing alcohol-related harms?
- What is the relationship between levy and excise tax, ACC etc?
- What is the relationship between levy activities and core government funding?
- What is the optimal structure of the levy (structure, governance, levy setting, allocations etc)?
- How does the levy in the new context relate to Māori in accordance with Te Tiriti o Waitangi?

CURRENT HARM-REDUCTION ACTIVITIES

- What is the alignment between levy allocations/programmes and the WHO SAFER framework?
- What is the alignment between levy allocations/programmes and Te Tiriti o Waitangi?
- What is the alignment between levy allocations/programmes and Pae Ora?
- What if any measurable outcomes were as a result of levy investment?
- What do communities consider as successful and appropriate uses of the levy fund?
- Proportion of fund to By Māori for Māori activities, what activities?
- What activities and what proportion of fund went to initiatives with explicit Māori outcomes
- To what extent did Māori control decision making (contribute to decision making) in relation to levy setting and funding allocations?

FUTURE STATE

- What are communities expectations around the use of the levy fund?
- What do communities see the value add of the levy fund is?
- What are expectations from Māori – use, allocation, governance?

What we will do

What is the future of the alcohol levy in the new Pae Ora Context?

Cost of alcohol-related harms

NZIER Identify and quantify cost of alcohol-related harms

Economic analysis report

Evaluate levy in new context

Workshops with health entities (x 3)

Meetings with Agencies

Targeted interviews (x10, 5 with Māori)

Desk based research (Prioritising Māori research and identifying gaps)

Focus groups (4 x Māori stream, 4 x general, 2 x Pacific)

Summary of engagement and evidence

Evaluate Harm-reduction activities

Final report and recommendations

Engaging with Stakeholders

CROWN AGENCIES (note excludes health entities who will be engaged separately):

- Treasury
- MOJ
- ACC
- MSD
- Police
- Whaikaha
- Statistics NZ
- Corrections
- Customs
- TPK
- Mental Health and Wellbeing Commission
- Ministry for Pacific Peoples
- Te Aka Whai Ora

GENERAL:

- Everyone from Phase 1
- Everyone who has applied for levy funding in the past 5 years
- Alcohol harm reduction team at Counties Manukau (Luisa Silailai, Sarah Sharpe)
- Healthy Families Rotorua
- Le Va
- Alcohol Health Watch
- Emerge Aotearoa
- Industry
- IMPB's
- University of Auckland – Centre for Alcohol and Addiction Research
- Pacific groups (To be identified)
- Hāpai te Hauora
- WOCA
- Te Whānau o Waipareira
- Auckland Regional Public Health
- Te Aka Whai Ora

MĀORI STREAM

- Māori individuals, agencies and organisations will be identified through a snowball technique and via professional and social networks



Alcohol levy review

Project plan – Stage 2

22 June 2023



Document status:	To be intermittently updated if needed
Version and date:	V 3.0; 22/06/2023
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Quality
ISO 9001

Allen + Clarke has been independently certified as compliant with ISO9001:2015 Quality Management Systems



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1 Background

There has been a hypothecated levy on alcohol in New Zealand since 1978. The levy was initially used to fund the activities of the Alcohol Advisory Council of New Zealand (ALAC) before ALAC was merged with other health programmes to form the Health Promotion Agency. The alcohol levy was then used by the Health Promotion Agency (later renamed Te Hiringa Hauora) to recover the costs it incurred in addressing alcohol related harm, and in its other alcohol-related activities.

The Pae Ora (Healthy Futures) Act 2022 (the Pae Ora Act) came into force in July last year as the legislative basis for the reform of the health system. Amongst the number of significant changes to the sector, Te Hiringa Hauora was disestablished, and its functions were placed within the National Public Health Service within Te Whatu Ora.

The alcohol levy was previously collected in accordance with the New Zealand Public Health and Disability Act 2000 and relevant secondary legislation. With the reform of the health system, the alcohol levy is now collected in accordance with the Pae Ora Act (and relevant secondary legislation).

The Pae Ora Act states that levies may be imposed for the purpose of Manatū Hauora recovering costs it incurs in addressing alcohol-related harm, and in its other alcohol-related activities.

Manatū Hauora now receives the levy fund, which Vote Health appropriation distributes across Manatū Hauora and Te Whatu Ora. The alcohol levy is collected at different rates for classes of different alcoholic beverages. The levy is calculated at a cost per litre of alcohol for each class.

All aspects of the Pae Ora Act must be read in light of its purpose, which is to provide for the public funding and provision of services in order to:

- a. protect, promote, and improve the health of all New Zealanders;
- b. achieve equity in health outcomes among Aotearoa New Zealand's population groups, including striving to eliminate health disparities, in particular for Māori; and
- c. build towards pae ora (healthy futures) for all New Zealanders.

During Stage 1 of our review, evidence showed that Māori experience disproportionate levels of alcohol-related harm compared to non-Māori. This reflects Crown failures to uphold its obligations to actively protect Māori interests, including health, as well as ensuring Māori rights to equity, under Te Tiriti. A key aim of Stage 2 of our review is to understand and clarify how the government can meet its obligations to Māori under Te Tiriti in the context of alcohol use and related harms within the parameters of this review.



2 Scope

Allen + Clarke and the New Zealand Institute of Economic Research (NZIER) were engaged by Manatū Hauora to undertake an independent review of the alcohol levy in New Zealand. This review has been separated into two stages.

Stage 1 was undertaken between February and March 2023 as a rapid review, designed to inform the levy setting for the 2023/24 financial year.

Stage 2 has a longer timeframe, with more in-depth analysis, regarding current funding priorities and programme effectiveness, and regarding the potential future state of the levy in New Zealand.

NZIER will investigate the extent, nature, and cost of alcohol-related harms in New Zealand. It will do this by compiling micro data and data from secondary sources. The focus will be on evidence of alcohol harms across all sectors (including health, social, and justice, as well as harms to individuals, whānau, communities, and broader society), including direct, indirect, and intangible (e.g. quality of life) harms, and the total societal cost of alcohol harms. To the extent that the evidence allows, the distributional impacts of each form of alcohol harm will be identified.

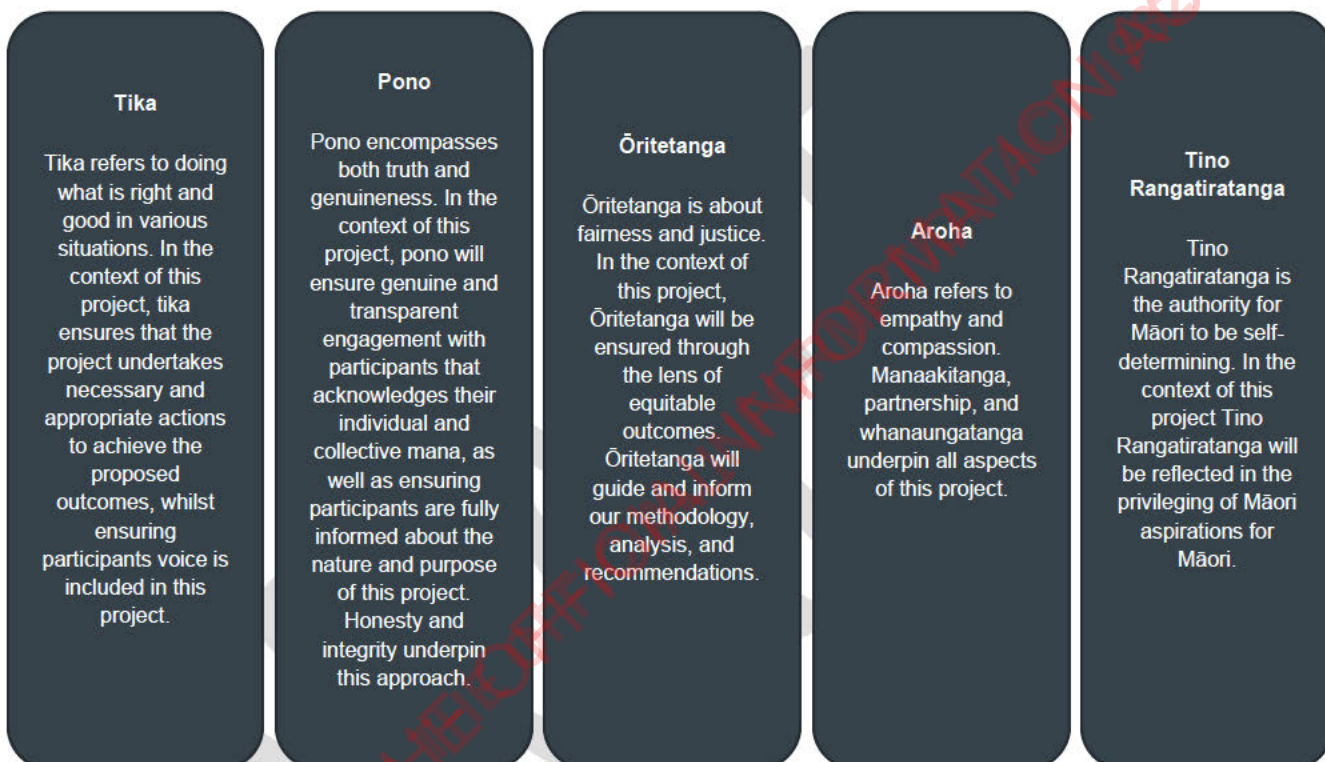
This project plan outlines how **Stage 2** of the review will be undertaken by *Allen + Clarke*, including how *Allen + Clarke* will incorporate NZIER's research and findings.

3 Overall approach

This section outlines how the work will be delivered.

Principles

The following principles will be applied throughout Stage 2 of the project. They are intended to provide a framework for *Allen + Clarke*'s delivery of the project.



3.1 Overarching approach

Stage 2 will build on the work undertaken during Stage 1 of the review and be informed by the initial information gathered from stakeholder interviews, the desk-based review, and initial economic analysis. While any duplication of work will be avoided, the scope of Stage 2 is significantly larger and future-focused, and *Allen + Clarke* is not limited by any findings made in Stage 1.

Our approach to Stage 2 is grounded in the WHO SAFER (SAFER) framework and Te Tiriti o Waitangi (Te Tiriti). Based on our initial work undertaken in Stage 1, we consider that the SAFER framework provides an evidence-based alcohol-specific framework to guide our desk-based research and options analyses. Given this is an internationally applicable framework, this will need to be overlaid with the Aotearoa context and our analysis will be grounded in Te Tiriti. Thus, *Allen + Clarke* will apply Te Tiriti and the SAFER framework in our development of questionnaires, assessments of effectiveness, document review, and final reporting. The SAFER framework will be used as a 'base' for the development of policy options within the

five key areas of intervention, with the addition of 'education and persuasion strategies'. The SAFER framework provides an outline of five key alcohol-harm related interventions that have been globally and nationally accepted. It is, however, not exhaustive and does include key areas that do not fall within Manatū Hauora's policy remit (e.g., drink driving measures or restrictions on alcohol availability). Those areas will be covered by the review in a contextual nature, to frame the role of the alcohol levy within a broader system of alcohol-related policy interventions.

Allen + Clarke will conduct an independent review of the alcohol levy to inform Manatū Hauora policy settings e.g. the distribution of levy funds and a framework for prioritising future investment in activities addressing alcohol harm in future. We will design our review methodology and stakeholder engagement interviews using the information gleaned from discussions with the Alcohol Levy Working Group (ALWG) and Māori ALWG, as well as our findings from Stage 1, with Te Tiriti front of mind, and will broadly use this to guide our options analysis for the use of the levy in the future.

Allen + Clarke will manage various workstreams to ensure that there are touch points throughout the project where key learnings and information from each workstream are shared, and that the overall programme is cohesive and aligned to Te Tiriti.

Te Tiriti o Waitangi

We will ensure that the Stage 2 deliverables reflect and support the health entities' roles as Te Tiriti partners working toward the purpose of the Pae Ora Act. This project will embed a Māori lens, guided in this context by the Wai 2575 Hauora Report Tiriti principles which have subsequently been drawn on among Crown agencies as a way of operationalising Te Tiriti o Waitangi (see Whakamaua: Māori Health Action Plan; Ministry of Health, 2020 as an example). These principles are: Tino rangatiratanga, Equity, Active protection, Options, and Partnership.

Briefly, Tino Rangatiratanga requires Māori rights to self-determination and mana motuhake in the design, delivery, and monitoring of health and disability services. The principle of equity reinforces Crown obligations to commit to achieving equitable health outcomes for Māori. The principle of partnership requires the Crown and Māori to work in true partnership across governance, design, delivery, and monitoring of health and disability services. Active protection requires the Crown to act, to the fullest extent practicable, to achieve equity for Māori both in terms of outcomes and access to the determinants of good health. Options, as a principle, describes the Crown's requirement to provide for and resource kaupapa Māori health and disability services, as well as ensuring that all services are provided in a culturally appropriate way that recognises and supports the expression of hauora Māori models of care.¹

Economic Analysis

¹ Ministry of Health. (2020). Whakamaua: Māori Health Action Plan 2020-2025. Wellington: Ministry of Health.

NZIER will lead the stream based economic analysis and conduct a comprehensive review of the most up-to-date data and evidence (including disaggregated by ethnicity where possible), and the application of robust economic methods. The policy problem and policy questions specific to the NZIER's economic analysis are noted below.

Expert Advice and Guidance

Allen + Clarke believes that this project would greatly benefit from partnering with people in Aotearoa New Zealand who have expert knowledge relating to alcohol-related harm.

Two expert advisors will be assisting with Stage 2 of the project. The expert advisors will be engaged regularly by the project team to assist with the refinement of the project methodology, advise on technical elements of the project, assist with research and insights where required, and provide technical review of deliverables. These expert advisors are s 9(2)(a) and s 9(2)(a)

s 9(2)(a) has a strong and critical understanding of Māori health with a demonstrable commitment to honouring Te Tiriti o Waitangi, reducing inequities, and upholding Māori rights to health. s 9(2)(a) completed her PhD at Massey University in 2017 which explored Māori alcohol use in Aotearoa. She is a Māori health leader and researcher focused on driving system change in order to achieve Pae Ora for all.

s 9(2)(a) is a public health expert with a focus on alcohol policy. He uses spatial and quantitative research methods to understand the connections between place, space, and health. His research also uses innovative technological solutions – such as wearable cameras, GPS devices, and Bluetooth tracking devices to understand complex human behaviour. s 9(2)(a) research agenda also has a strong equity and policy focus. His recent alcohol work includes a modelling study estimating the potential health gains that could be obtained from implementing stronger alcohol restrictions on alcohol's marketing, availability, and price in Aotearoa New Zealand.

Allen + Clarke will also seek expert advice from s 9(2)(a) regarding the engagement with Pacific stakeholders. He supports the governance of a number of organisations, elevates peoples voice in decision making particularly around mental health and addictions policy. He was involved in the establishment of the Pacific Youth Leadership and Transformation Trust to advocate for Pacific young peoples voices in all worlds.

Allen + Clarke will also seek feedback and support from the ALWG which comprises of representatives from Manatū Hauora, Te Whatu Ora, and Te Aka Whai Ora. In addition, a Māori ALWG will be established with Māori representatives from each of the three agencies with a particular focus on engagement approaches in relation to Māori communities and stakeholders, including providing information about other known engagement or work programmes planned or underway with Māori groups.

Allen + Clarke recognises and respects the status of the ALWG and Māori ALWG as subject matter experts, and values their support and contributions, however, as *Allen + Clarke* has been commissioned to conduct an independent review of the alcohol levy, *Allen + Clarke* is not required to seek the approval of either the ALWG and Māori ALWG in relation to any aspect of our review methodology or deliverables.



Engagement

A focus of this review will be on engagement with stakeholders including government agencies and community groups. Of particular interest will be community groups' experiences of levy-funded services that have been provided to address alcohol harm, and their aspirations for what those services should look like in the future.

We propose to co-design the stakeholder engagement plan and hold sensemaking sessions with the ALWG and the Māori ALWG. In addition, we will provide regular project reporting updates to both groups throughout the review. Importantly, we are committed to ensuring our agency and community engagement captures robust Māori voice and insights to make clear the ways in which the levy impacts Māori alcohol harm outcomes.

Policy problem

Alcohol-related harm is a significant public health issue in New Zealand. In particular, Māori experience long standing and disproportionate harms from alcohol compared to other groups in the population. Health agencies including Manatū Hauora, Te Whatu Ora and Te Aka Whai Ora, in accordance with the health sector principles set out at section 7 of the Pae Ora Act, should work to protect and promote people's health and wellbeing.

Under Te Tiriti o Waitangi, Māori are guaranteed the right to health and wellbeing as well as the right to equitable health outcomes. The Crown, including Crown entities such as the Manatū Hauora, have obligations to uphold such rights. The health sector principles also include that the health sector should protect and promote people's health and wellbeing by undertaking promotional and preventative measures to protect and improve Māori health and wellbeing.

Manatū Hauora may impose a levy for the purpose of enabling it to recover costs it incurs in addressing alcohol-related harm and in its other alcohol-related activities. To carry out its duty to protect and promote people's health and wellbeing in relation to alcohol, Manatū Hauora needs to understand why and how to collect, administer, and invest a hypothecated levy on alcohol. Importantly, this action illustrates one way in which the Crown may uphold Māori rights to health and equitable health outcomes.

A hypothecated levy has been in place since 1976. Alcohol-related harm has not significantly decreased over this time. In addition, while Māori are less likely to engage in alcohol use compared to other groups in the population, when they do drink, they are more likely to drink in binge drinking quantities and more likely to experience harm as a result of their own drinking or someone else's².

It has previously been found that alcohol-related harm results in significant social, health, and economic costs to individuals, whānau, communities, and the government (from the influential

² Muriwai, E., Huckle, T., & Romeo, J. (2018). Māori attitudes and behaviours towards alcohol. Wellington: Health Promotion Agency.



2009 BERL report³). The aim of this review is to understand the current costs of alcohol harm in New Zealand, where possible, determine why and how Manatū Hauora might collect, administer, and invest a hypothecated levy on alcohol, and how the funds collected by the levy should be distributed and spent to help address alcohol-related harm (within the limitations of the levy). Qualitative methods will be used to identify individuals', communities', and the government's perspectives. Following our engagement, *Allen + Clarke* will conduct a review of documents relevant to stakeholders' views.

The New Zealand economic analyses on alcohol-related harm are outdated and, to support Manatū Hauora to adequately use the cost-recovery mechanism in the Pae Ora Act, economic analysis of the cost of alcohol harm in New Zealand is required to support consideration of the appropriate levy quantum to be recovered that may be directed to addressing that harm.

Support is also required to independently assess the levy-setting formula and determine the factors that may be relevant in setting the levy formula in the future.

^{3 3} Slack, A., Nana, G., Webster, M., Stokes, F., & Wu, J. (2009). Costs of harmful alcohol and other drug use. BERL Economics



Policy questions

The alcohol levy is one part of the wider alcohol-related harm reduction and prevention system in Aotearoa operating alongside, most notably, the alcohol excise tax and the Sale and Supply of Alcohol Act 2012. The following questions will guide the review and are primarily concerned with the role and function of the hypothecated levy. The context relating to other agencies and other investment strategies will be considered as context for the review of the levy.

How should a hypothecated levy on alcohol operate in the new Pae Ora Context?

- A) As pertains to the alcohol levy, what are the options for the Ministry to meet its obligations to Māori under Te Tiriti, including an obligation to protect and ensure Māori rights to health and equity, in relation to alcohol and related harms?
- B) What are the options for the collection and administration of the alcohol levy, in relation to the status quo, to support the investment as a cost-recovery mechanism?
- C) What are the options for governance of the alcohol levy regime to enable effective and efficient use of levy funds and provide appropriate oversight to measure success?
- D) What are the options for the investment of the alcohol levy, to ensure that the Crown upholds its obligations under Te Tiriti o Waitangi and protects people's health and wellbeing in relation to alcohol-related harm?
- E) What are stakeholders' perceptions of how the alcohol levy could be most effectively collected?
- F) What are stakeholders' perceptions of how the alcohol levy could be most effectively administered?
- G) What are stakeholders' perceptions of how the alcohol levy could be most effectively governed?
- H) What are stakeholders' perceptions of how the alcohol levy could be most effectively be invested? Including stakeholder perceptions of whether there should be a focus on health promotion, prevention, or treatment measures.
- I) How is the alcohol levy most effectively collected, administered, and governed in a way which centres the Crown's obligations under Te Tiriti o Waitangi (including consideration of how the levy functions in relation to the alcohol excise tax)?
- J) What is the extent, nature, and cost of alcohol-related harms in Aotearoa?
- K) As pertains to the alcohol levy, what should cost recovery for activities addressing alcohol harm look like in the Pae Ora context?
- L) What current investments from the levy fund should be retained, if any?

Methodology

The stages have been designed to reflect the logical, sequential nature of the work and to ensure that the critical inputs to each stage have been produced and are available in a timely manner. **Figure 1** presents the overall work programme, which are then split into stages and described in more detail below. **Table 1** presents the **Key outputs** of this project.

Figure 1 Overview of Methodology

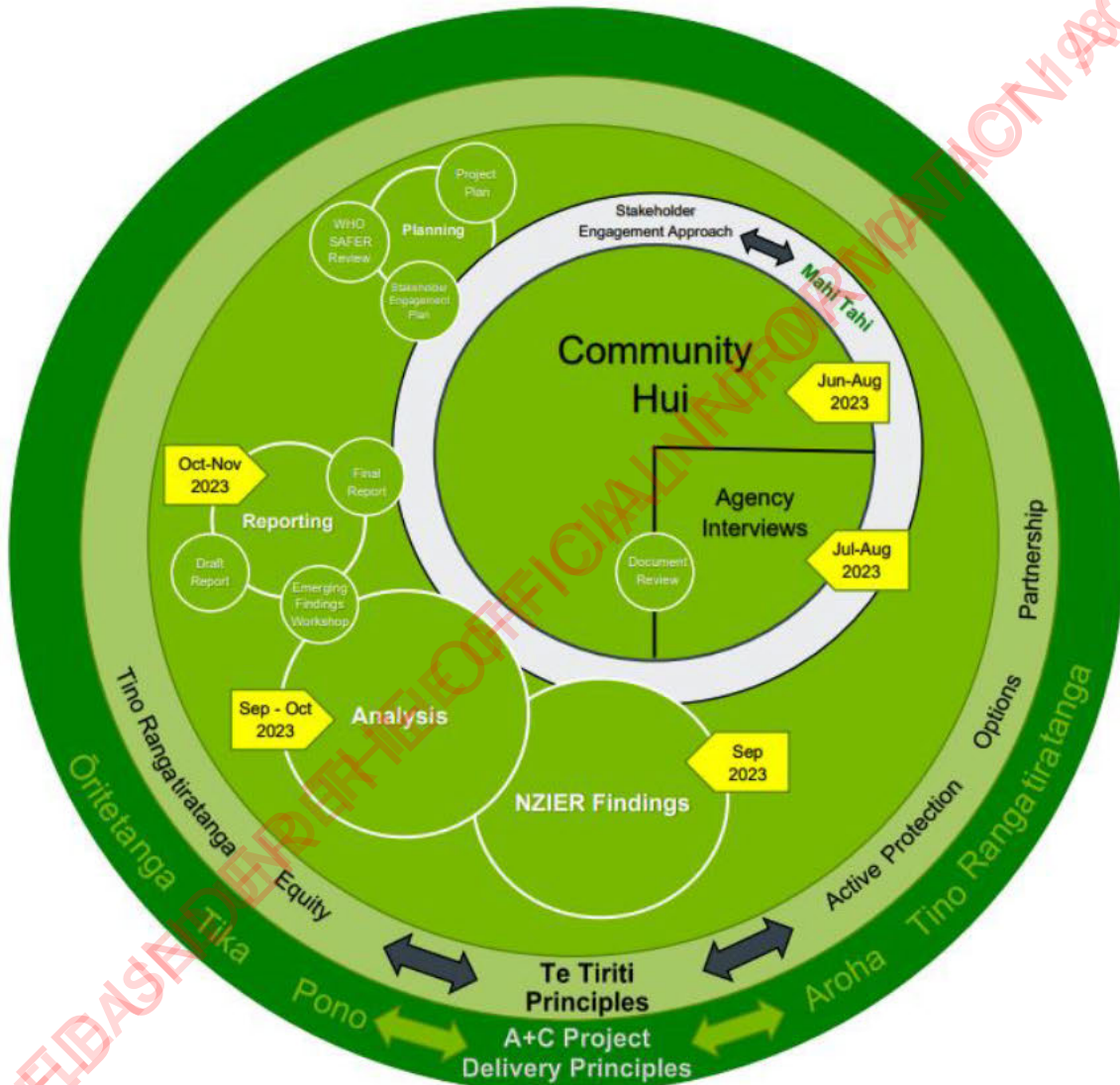


Table 1: Key outputs

Key Outputs	
Stage 1	Project plan Stakeholder Engagement Plan (SEP)
Stage 2	Engagement notes Agency interview schedule Agency interview notes
Stage 3	Workshop report Draft report Final report

Stage 1: Review design

Planning

The purpose of the Stakeholder engagement plan (SEP) is to guide engagement with stakeholders about the review of the Alcohol Levy. The SEP will be an iterative document to ensure a flexible approach to engagement. Our engagement with stakeholders will take place over a three-month period between June and August. We will work with Manatū Hauora, Te Whatu Ora, and Te Aka Whai Ora to identify and reach out to an initial group of identified stakeholders and invite those stakeholders to connect us with other potential stakeholders as appropriate. We have planned for ten community group hui and ten agency interviews.

We will use our on-line project management software, Salesforce, as a basis for our management of the delivery of services. This enables us to plan the project out, track progress, issue reports, and identify and manage risks effectively.

Allen + Clarke will ensure ongoing communication with our expert advisors, ALWG, and the Māori ALWG, including regular meetings and/or email reports if required.

Stakeholder Engagement Plan

Limitations to engagement in Stage 1 of this review will be supplemented through engagement in Stage 2. Prior to engagement with stakeholders, we will workshop a SEP with the ALWG and the Māori ALWG to guide an engagement plan with stakeholders. The SEP will provide high-level detail and will be designed to avoid overlap with other health entities' engagement



and ensure there is alignment with the expectations of how stakeholders are engaged by the three health entities. For Māori-specific engagement this will primarily be guided by the Māori ALWG in recognition of their expertise in Māori engagement specifically.

There are two groups of stakeholders that we are wanting to engage as part of this stage:

1. Community stakeholders: For the purpose of this engagement, community stakeholders are defined as people or community/ hapori groups who understand the impacts of alcohol harm at a local level and have experience of services or interventions designed to reduce alcohol related harm. We are most interested to learn from these stakeholders about the community aspirations and solutions to reduce alcohol harm for the communities they represent. The objective of the community group engagements is to understand from a community perspective what the future focussed solutions are for addressing alcohol harm, and what shifts need to happen in order to meaningfully achieve reduction of alcohol harm in our communities.
2. Agency stakeholders: For the purpose of this engagement, agency stakeholders are defined as government agency representatives or officials and other representatives of the Crown. Despite not being from 'agencies', we have also included academics in this group, considering their depth of knowledge on the subject. These stakeholders will predominantly be those who can share perspectives on the various aspects of the alcohol levy settings. Our current thinking is to first engage with community group representatives to understand their perspectives, and then to engage agency stakeholders via 1-1 or small group hui to understand their perspectives of if and how the levy settings and processes can achieve community aspirations.

Importantly, within the community and agency stakeholder engagement phase, we are specifically committed to partnering with and seeking Māori perspectives of the alcohol levy to inform our analysis and findings in a way that recognises and upholds Te Tiriti across this work.

We also expect to speak to community groups who have engaged with the levy funding process, including those receiving levy funding and those who, for whatever reason, have not received levy funding, to understand the solutions that are already being applied at the community level, as well as community groups' experience of receiving and/or pursuing levy funds. These engagements will likely happen in focus group or interview settings.

While developing the SEP, we will also draft pre-engagement collateral, which will be provided to all potential participants. This will explain the purpose of the engagement and outline our intended questions.

Stage 2a: Engagement Modes

Initial document review

Allen + Clarke will, prior to speaking to community representatives, undertake a limited review of key documents to support the development of a 'starter for 10'. The material to be reviewed will include the WHO SAFER technical package and associated material, as well as material relating to the activities previously funded by the levy (as provided by Te Whatu Ora staff),



and any key research papers identified as relevant to minimising alcohol harm in New Zealand. The research papers to be reviewed will include papers identified by members of the ALWG, and the Māori ALWG, as well as by *Allen + Clarke*'s expert advisors.

Allen + Clarke and expert advisors will make the final determinations of which material is reviewed at this stage. Our final report will note the material that was reviewed and will also include the 'starter for 10' produced on the basis of that review. This review will enable *Allen + Clarke* to support community representatives to, if they wish, respond to questions about; the allocation of levy funds, and evidence of the effectiveness and feasibility (in the Pae Ora context) of existing and potential investments of the levy funds.

Allen + Clarke will organise and facilitate a range of engagement modes including online and in-person via interviews, focus groups, and community hui. We propose that each focus group or community hui session has approximately 10 participants to allow for meaningful and robust discussion. *Allen + Clarke* will partner with people who already have a presence in the communities that we are seeking to engage to organise the sessions and will take their lead on the best and most appropriate ways, times, and locations to engage. Our preference will be for community hui to be held in person, however, we will be guided by the stakeholders and will prepare for online engagement if that is requested.

With consent, notes and recordings (as appropriate) will be taken at each engagement and *Allen + Clarke* staff will record key insights after each engagement. These will be used for reference by the *Allen + Clarke* team and will inform our analysis in the final report, as well as guide our desk-based research.

Community group engagement

Allen + Clarke will organise and facilitate a range of in-person or online hui with identified community stakeholders who have experiences of interventions and services that seek to address alcohol harms.

For Māori community hui, *Allen + Clarke* staff will be supported to observe appropriate tikanga which will be informed and guided by our community stakeholders. This may include mihi whakatau, time for whakawhanaungatanga, and provision of kai and koha. All analysis of Māori community hui will be informed by Te Tiriti and the principles identified in the Wai 2575 Hauora report: Tino Rangatiratanga, Active Protection, Partnership, Options, and Equity.

Allen + Clarke has also made allowance for targeted community hui engagements with Pacific communities knowing that even with a lack of data and research, Pacific communities suffer from disproportionate levels of alcohol harm. This has also been guided by Manatū Hauora, Te Aka Whai Ora and Te Whatu Ora seeking to understand the perspective of Pacific communities within this review. *Allen + Clarke* will be guided by Pacific community connectors for any Pacific engagement and all analysis will be informed by a Pacific expert and Sui Ki Moana (Pacific Health Promotion Action Plan)

Focus Groups

Allen + Clarke will organise and facilitate online and in-person focus group sessions with agency stakeholders to understand if or how the levy settings can be applied towards



achieving community aspirations. The engagements will take place between July - August after we have carried out some of the community hui. The intention is to initiate consultation with community groups who are likely to take a high-level and broad view to addressing alcohol harm in New Zealand, before refining our lines of inquiry for agency stakeholders (including seeking advice on practicality and limitations). We will provide Manatū Hauora, the ALWG, and Māori ALWG with a draft schedule and a more detailed plan once the schedule of agency engagements is confirmed. It is likely that these focus groups will include representatives from providers that have previously received funding from the alcohol levy.

If community engagement identifies concerns relating to agencies' processes, for example in relation to the process used to determine the recipients of levy funding or in the process used to evaluate levy investments, we will conduct a limited document review to develop our understanding of these processes ahead of engagement with agency representatives.

Contact agency representatives

An interview guide will be developed to guide the semi-structured discussion with identified agency stakeholders.

Allen + Clarke will reach out to agency stakeholders and provide general pre-engagement material. The questions will not be provided.

Interviews will be scheduled between July and August 2023. *Allen + Clarke* will provide a range of potential times for interviewees and will use scheduling software to book interviews with key stakeholders.

Stage 2b: Interviews

Stakeholder interviews

Allen + Clarke intends to re-interview stakeholders interviewed during Stage 1. This second round of interviews will provide these stakeholders the opportunity to provide a broader and more future focussed perspective than the initial rapid review allowed for.

Allen + Clarke also intends to interview representatives from key agencies with work programmes related to alcohol harm. It is intended that these stakeholders will be identified by Manatū Hauora (or the ALWG, or Māori ALWG) but are likely to include representatives from NZ Police, ACC, Whaikaha, Local Government, and the Ministry of Justice.

This will be covered in more detail in the stakeholder engagement plan. The proposed budget allows for 10 stakeholder interviews, so these may need to be prioritised.

Targeted document review

Parallel to the agency interviews we will carry out a targeted document review. This review will build on the document review undertaken during Stage 1. The purpose of this targeted review will be to further investigate information gained during our community engagement and to support the development of options for the use of the levy funding in the future. We anticipate that the document review will be focussed primarily on developing our understanding of barriers to, and enablers of, levy funding being administered, collected, and



invested pursuant to communities' aspirations. If necessary and appropriate, our document review will include consideration of matters relating to other hypothecated levies, both in New Zealand and overseas.

The review of the New Zealand alcohol levy requires information and documentation that, for various reasons, may not be published in peer-reviewed academic journals (e.g. policy documents, submissions, community and Māori input), thus a structured, systematic literature review was not deemed appropriate. Instead, we have opted to conduct a targeted document review to support policy analysis of investment prioritisation and programmes and services to be funded by the levy in the future.

The targeted document review will apply a rolling search strategy that will begin with the documents reviewed in Stage 1. During our stakeholder engagement processes, we will add documents recommended by stakeholders and through backward searching of reference lists of included documents. During analysis of the investment prioritisation and future programmes and services, we will undertake desk-based research into any specific interventions, or investment prioritisation strategies, as required.

We anticipate that the document review will focus on researching specific interventions, governance structures, or prevention measures, to gather more information to support the findings from stakeholder engagement. If necessary and appropriate, our document review will include consideration of matters relating to other hypothecated levies, both in New Zealand and overseas. Further, it will assess the administration and allocation of the levy previously and whether these have been consistent with Te Tiriti o Waitangi and the WHO SAFER framework to the extent available documentation allows. We will also be mindful through this document review that there may be key gaps in what the documentation may contain. For example, there may be a multitude of community initiatives such as kaupapa Māori interventions and initiatives for which there is little corresponding documentation. We intend to highlight any key gaps we identify as a result of this document review.

Allen + Clarke will also review the current levy allocation, and any evidence available relating to the effectiveness or impact of the activities that are currently funded. The view of stakeholders on the effectiveness and impact of currently funded activities will also be incorporated into the insights and analysis.

As with our initial document review *Allen + Clarke* and expert advisors will make the final determinations of which material is reviewed at this stage and our final report will note the material that was reviewed.

Emerging insights sessions

Following stakeholder engagement and document review, *Allen + Clarke* will hold an insights session with the ALWG and the Māori AWLG to share the initial findings from our stakeholder engagement, any emerging insights, and potential implications of our initial findings and emerging insights. The intention of this session is to ensure that the ALWGs have a high-level understanding of the key insights and can provide any relevant advice or support that may be required to turn the insights into final recommendations.



Stage 3: Analysis

Analysis

The information from engagement and desk-based research will be combined and analysed by *Allen + Clarke* to inform the final report and recommendations.

The notes from the engagements will be uploaded and coded using NVivo software, and a coding framework will be created to determine the key themes and sub-themes from the engagement. The notes from engagement will therefore be grouped and analysed by theme. The engagement will also be analysed by stakeholder type, to ensure that the community voice is clearly heard through the analysis.

Allen + Clarke will share our analysis as it is developed with our expert advisors to enable them to provide guidance and advice relating to public health, Māori, and Te Tiriti considerations.

Integrate NZIER research

NZIER will send draft sections of analysis to *Allen + Clarke* at regular intervals, and *Allen + Clarke* will share overviews and interim analyses of stakeholder engagement with NZIER to ensure consistency. NZIER envisage that their economic analysis will consist of two parts:

1. investigate the extent, nature, and cost of alcohol-related harms in New Zealand, and
2. evaluating the design of the levy setting formula, including recommendations for changes to the levy-setting formula for the future.

The investigation into the cost of alcohol related harm will likely be reported in a stand-alone document. The analysis of the design of the levy setting formula will be integrated into *Allen + Clarke*'s findings and options analysis for the use of the levy going forward, consistent with the policy questions outlined in this project plan.

Throughout the review *Allen + Clarke* and NZIER will conduct short ad hoc meetings to check-in on progress to date and discuss any emerging risks, themes, findings, and any areas of alignment or contradiction.

NZIER will evaluate the levy setting formula and will provide an assessment of its advantages and disadvantages in relation to:

1. its structure and included variables that affect the total funds collected through the levy
2. its performance in fulfilling its purpose as a tool for revenue raising for cost recovery related to activities addressing alcohol-related harm
3. its responsiveness to changing patterns of:
 - alcohol consumption, including the mix of products

- alcohol consumer demographics
4. equity impacts (considering alcohol consumption, by type, alcohol harms, alcohol affordability, and elasticity of demand in different population groups, to the extent that data and evidence permit)
 5. the structure and use of other levies in New Zealand (e.g. gambling levy, ACC levies)
 6. alcohol levies in comparable jurisdictions (based on published reports)

NZIER will investigate the extent, nature, and cost of alcohol-related harms. This will involve compiling from micro data and secondary (e.g. previously published reports) data sources, the evidence on alcohol harms across all sectors (including health, social and justice, as well as private harms to individuals, families, communities and businesses), including direct, indirect, and intangible (e.g. quality of life) harms, and the total societal cost of alcohol harms. To the extent that the evidence allows, the distributional impacts of each aspect of alcohol harm will be identified. This would be primary research and would follow the principles of the Treasury's Social Cost Benefit Analysis framework⁴, focussing on cost aspects, and will incorporate up-to-date published evidence of attribution of impacts to alcohol and harmful drinking.

NZIER will send draft sections of analysis to *Allen + Clarke* at regular intervals and *Allen + Clarke* will share and overview and interim analysis of stakeholder engagement with NZIER to ensure consistency.

Throughout the review *Allen + Clarke* and NZIER will conduct short fortnightly standing meetings to check-in on progress to date and discuss any emerging risks, themes, findings, and any areas of alignment or contradiction.

Stage 4: Reporting

Report drafting

A first draft of the report will be completed by Wednesday 27 September 2023. This will be provided to Manatū Hauora for written (consolidated) feedback by Wednesday 11 October.

Sensemaking

Following the provision of the first draft of the report, a sensemaking session will be held in the week beginning 9th October 2023 in order for the ALWG and Māori ALWG to provide verbal feedback, ask questions, and seek clarification on the draft report before providing written feedback. This session will cover:

- a high-level overview of the key insights gleaned from the review,
- an overview of the recommendations in the report, and

⁴ The Treasury. Guide to Social Cost Benefit Analysis. Wellington, July 2015. <https://www.treasury.govt.nz/publications/guide/guide-social-cost-benefit-analysis>



- any areas that *Allen + Clarke* or NZIER require further clarification on before finalising the report.

Finalising report

After the sensemaking session and receiving written feedback on the draft report, *Allen + Clarke* and NZIER will provide the final report and recommendations by 8 November 2023.

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4 Overview of deliverables and dependencies

Project output	Responsibility	Requirement	Due date
Project plan for Stage 2	<i>Allen + Clarke</i>	Draft project plan to be provided for circulation prior to workshop.	Monday 22 May 2023
	<i>Allen + Clarke</i> and ALWG	Workshop to discuss draft project plan	Thursday 25 th May, 1.30pm
	<i>Allen + Clarke</i>	Finalise project plan for Stage 2 based on feedback from workshop.	Thursday 1 st June 2023
Stakeholder Engagement Plan	<i>Allen + Clarke</i> (with input from ALWG and Māori ALWG)	Draft stakeholder engagement plan to be drafted as a 'strawman' before workshop.	Week beginning 29 May 2023
	ALWG and Māori ALWG	Workshop to discuss stakeholder engagement plan and provide feedback.	Week beginning 5 June
	<i>Allen + Clarke</i>	Finalise stakeholder engagement plan.	Week beginning 12 June
Focus groups and community hui (x12)	Manatū Hauora/ALWG/ <i>Allen + Clarke</i> (based on relationships)	Initial engagement with key stakeholders to begin the process of organising focus groups and community hui	Week beginning 12 June
	<i>Allen + Clarke</i>	Booking time and venues for focus groups and community hui	Between 19 June – 7 July 2023
	<i>Allen + Clarke</i>	Focus groups and community hui held	Between 19 June – 31 August 2023

Project output	Responsibility	Requirement	Due date
Interviews with agencies and/or Stage 1 stakeholders (x10)	Manatū Hauora/ALWG	Initial engagement with key stakeholder to set up meetings with <i>Allen + Clarke</i> .	Week beginning 17 July 2023
	<i>Allen + Clarke</i>	Booking time for interviews.	17 July – 31 July 2023
	<i>Allen + Clarke</i>	Interviews undertaken.	From 17 July – 31 August 2023
Emerging workshop findings	<i>Allen + Clarke</i> and ALWG and Māori ALWG	Emerging findings workshop held to discuss initial findings from engagement and research and emerging insights.	Week beginning 18 September 2023
Alcohol analysis harms	NZIER	NZIER to send economic analysis to <i>Allen + Clarke</i>	TBC – September 2023
	<i>Allen + Clarke</i>	Incorporating NZIER economic analysis into report drafting	TBC – September 2023
Assessment of levy setting formula	NZIER	NZIER to send economic analysis to <i>Allen + Clarke</i>	TBC – September 2023
	<i>Allen + Clarke</i>	Incorporating NZIER economic analysis into report drafting	TBC – September 2023
Draft report	<i>Allen + Clarke</i>	First draft report provided to Manatū Hauora.	Wednesday 27 September 2023
	<i>Allen + Clarke</i> and ALWG + Māori ALWG.	Sensemaking session to discuss draft report, feedback, clarification needed.	Week beginning 2 October 2023
	Manatū Hauora/ALWG + Māori ALWG	Feedback on first draft report provided to <i>Allen + Clarke</i> .	Wednesday 11 October 2023



Project output	Responsibility	Requirement	Due date
Finalise report	<i>Allen + Clarke</i>	Final report provided to Mānatū Hauora	8 November 2023

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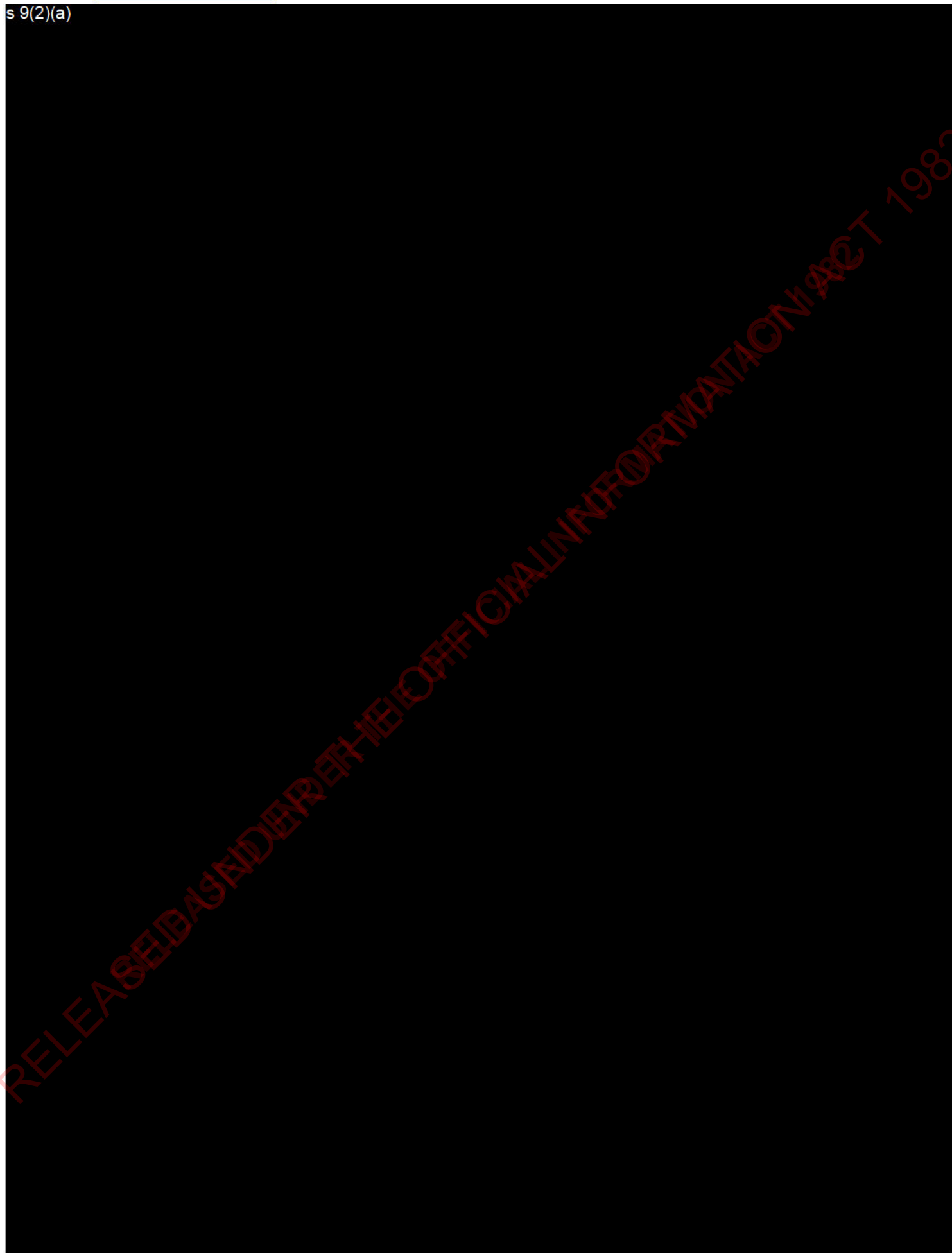


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6 Project management

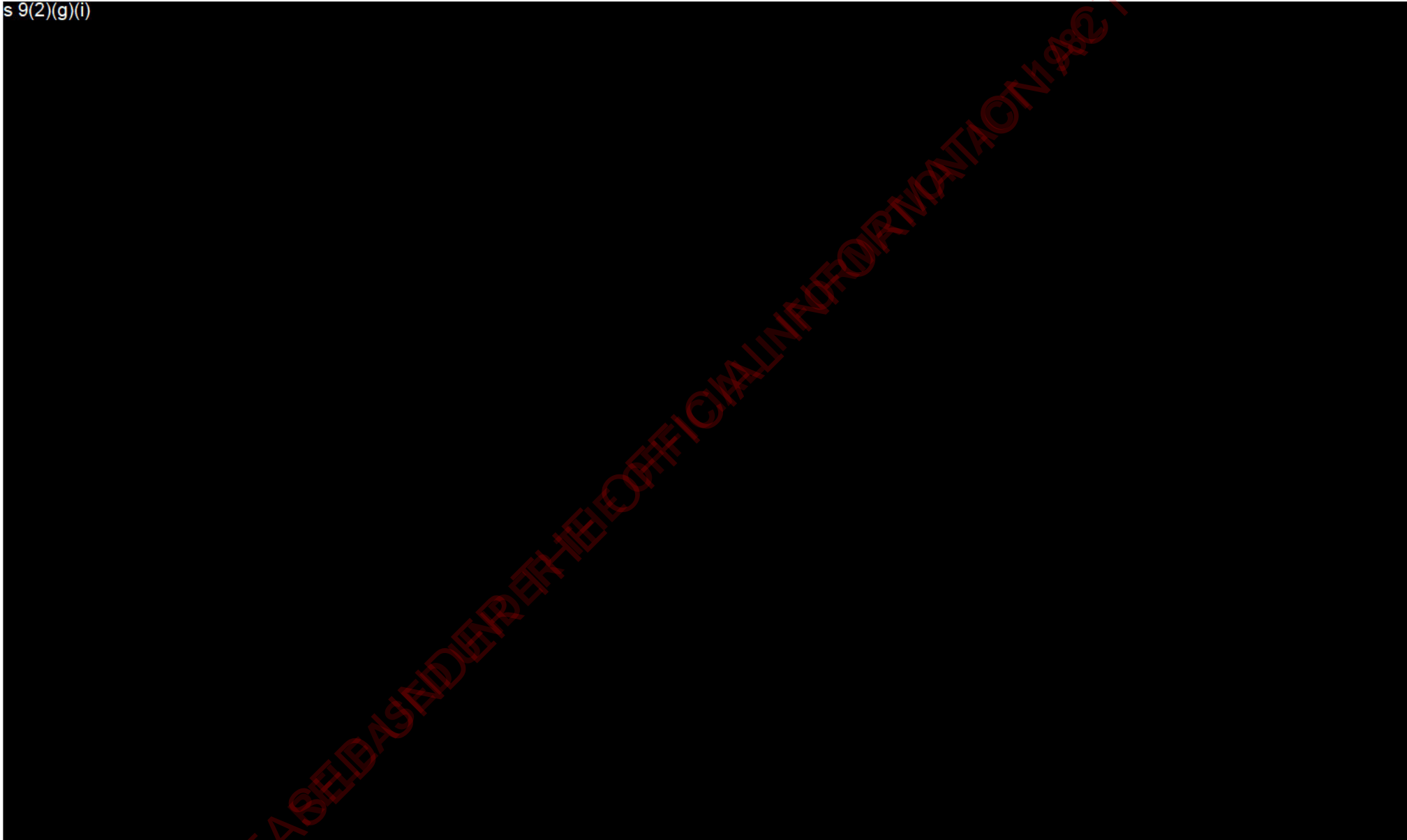
Operationally, *Allen + Clarke* has internal procedures in place to ensure there is adequate time and appropriate resource allocated to deliver all our services to the highest standard, on time and within budget, which include the following actions:

- we have a Managing Partner who is responsible for establishing and monitoring implementation of *Allen + Clarke*-wide internal project management and quality assurance processes, including training of all staff on our internal project management and QA manual and 'how to' guides;
- all projects have a dedicated project manager who is responsible for delivering projects on time and to high quality;
- project managers develop and report against a project plan that is developed with the wider project team, with all project team members clear on their obligations;
- the project manager will maintain strong working relationships and close oversight of the project, with regular internal meetings to ensure that the project is running smoothly and efficiently;
- all projects also have a senior staff member acting as internal project sponsor, to whom the project manager regularly reports. This person is also available as a further contact point for clients; and
- we use Salesforce software for tracking milestones, deliverables, actions and tasks against timeframes and budgets, and across the entire project team.

By implementing the processes outlined above, the *Allen + Clarke* team consistently delivers products that are accurate, comprehensive, actionable, and concise. This framework also allows for customised approaches to client engagement to ensure client visibility of progress and emerging issues. The framework is complemented by the experienced project staff used to resource the project.



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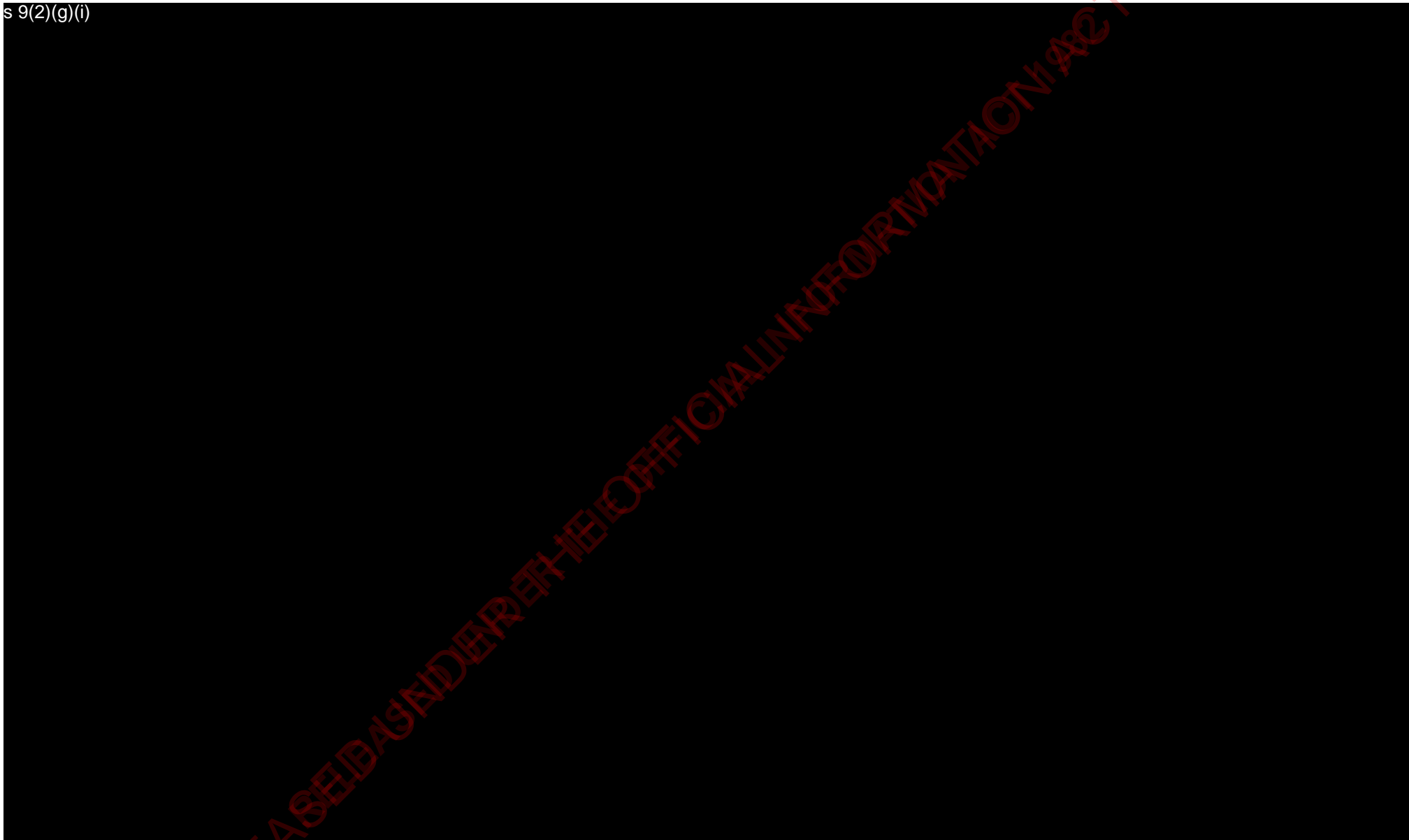
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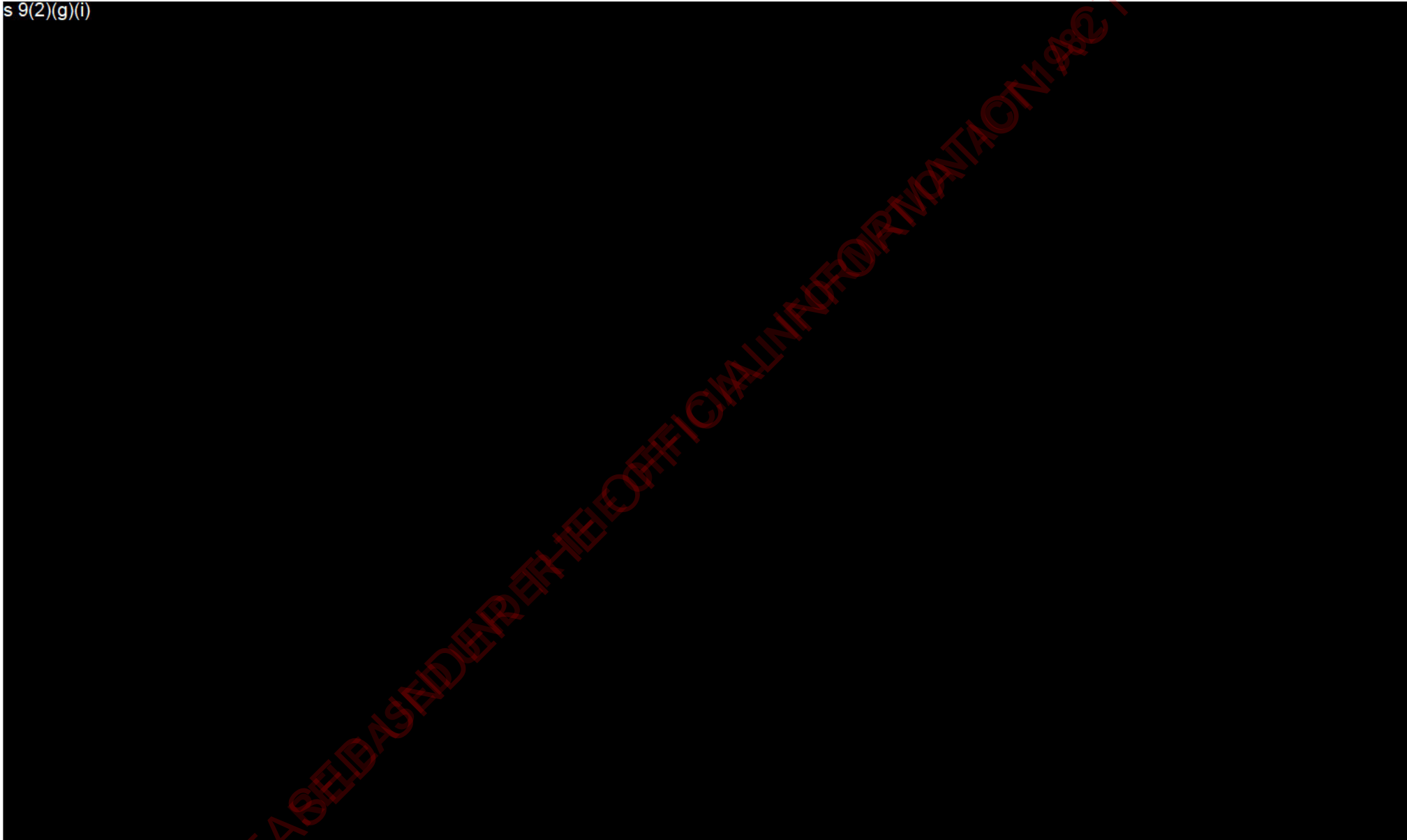
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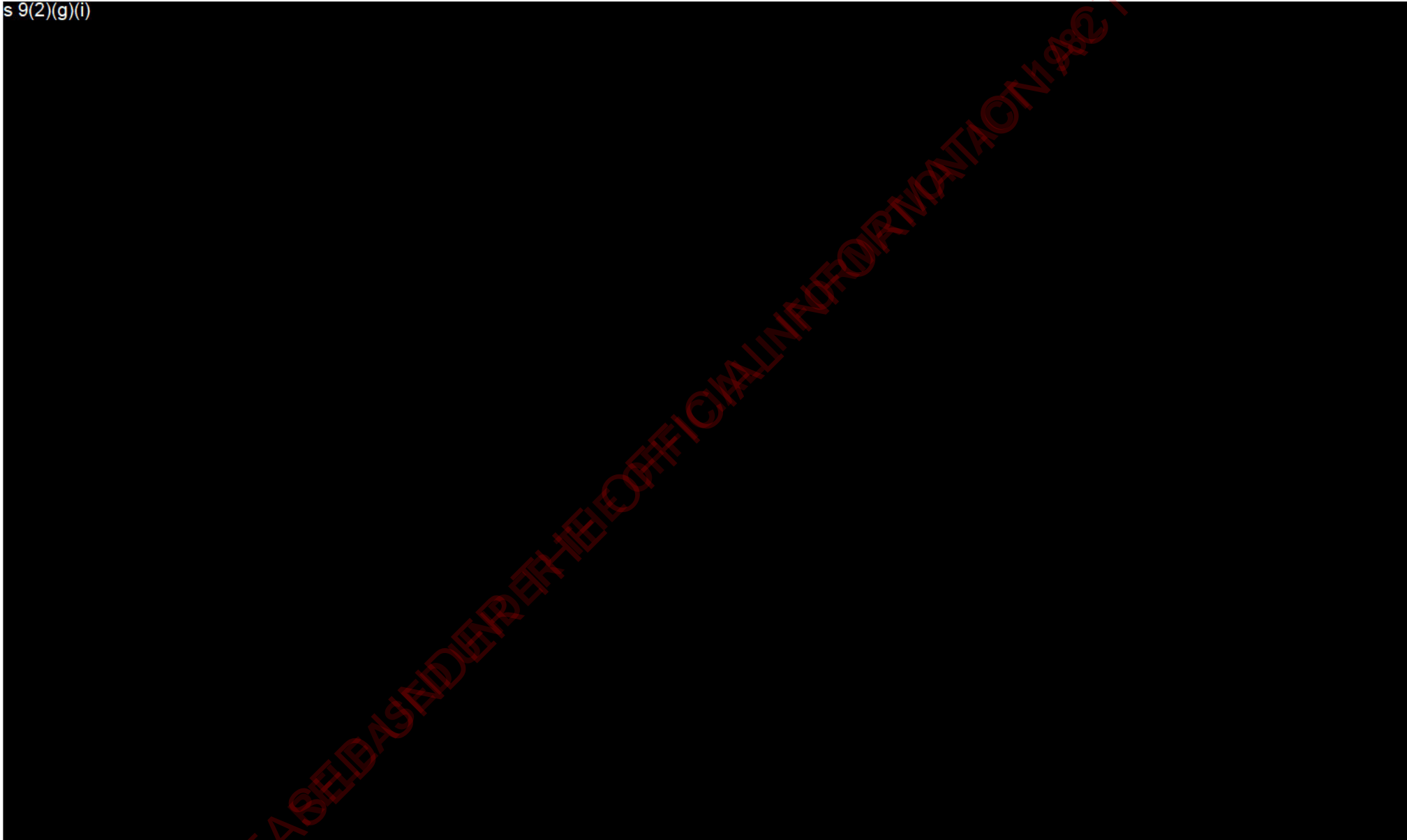
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