

Tax Working Group Public Submissions Information Release

Release Document

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- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people;
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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



Te Whare Wānanga o Ōtago

Tax Working Group Secretariat
PO Box 3724
Wellington 6140
New Zealand

Date: Friday 27 April, 2018

To the New Zealand Government Tax Working Group,

The Edgar Diabetes and Obesity Research Centre (EDOR) was established at the University of Otago in 2003, with the aim to reduce the prevalence of diabetes and obesity by finding new ways to prevent and treat these conditions. We support the initiative of the Tax Working Group to involve the public in developing recommendations for the future of New Zealand Tax, and are grateful for the opportunity to share our own recommendations.

EDOR recommends that the New Zealand Government tax working group considers new taxes aimed at improving the health of all New Zealanders. These would include a tax on sugar-sweetened beverages and removing GST from certain foods such as fruit and vegetables.

Globally, governments are recognizing the urgency of promoting healthy diets, in order to lower the alarming rates of obesity, diabetes and other diet-related noncommunicable diseases.⁽¹⁾ Government led initiatives, such as taxes and subsidies to encourage healthier life styles, are a powerful and cost-effective public health measure that results in both health gains and health care cost savings^(2,3)

Evidence is mounting to support taxation of products high in sugar, specifically sugar-sweetened beverages.^(2,4) Mexico was the first country to introduce a 'sugar tax' in 2014. Since then more than a dozen countries as well as independent states have followed their lead in order to tackle the obesity and diabetes epidemic.⁽⁴⁾ On the 1st of April this year the United Kingdom also introduced a "soft drinks industry levy", aimed to reduce consumption, to encourage manufacturers to reformulate sugar-sweetened beverages to contain less sugar, and to focus marketing efforts on products containing less sugar. While we acknowledge that a sugary drinks tax on its own will not solve the obesity and diabetes issue, it is an important first step towards this goal, and a relatively easy initiative to justify, given that sugary drinks offer no nutritional value.



Te Whare Wānanga o Otago

Two recent EDOR events, 'The Diabesity Crisis' Symposium and the 'Cost of Sugar' Forum, hosted in collaboration with two National Science Challenges: Healthier Lives and A Better Start, focused on summarizing the current state of knowledge and research on the New Zealand obesity and type 2 diabetes epidemic in order to identify priorities for action. One of the key recommendations that resulted from these public events was the introduction of a sugar tax in New Zealand. A summary of these events, including the recommendations, was published in the New Zealand Medical Journal (publication attached) and is widely supported by colleagues from other New Zealand research institutions.

EDOR and our collaborating partners are happy to provide further information to the Tax Working Group and the Secretariat on what current research shows are the most effective ways to use taxation to help combat obesity and diabetes.

Yours sincerely,

[1]

Professor Rachael Taylor
Director, Edgar Diabetes and Obesity Research

Appendix:

1. Mann J, Taylor R, Cutfield W. The Diabesity Crisis. *New Zealand Medical Journal* 2017; 130 (1459): 82-85.
2. Potter JD. On Taxing Sugar-sweetened Beverages as a Public-health Measure. Centre for Public Health Research, Massey University. Working paper, 2018. ISBN 978-0-473-43261-4

References:

1. United Nations General Assembly. Political Declaration of the High-level Meeting of the General Assembly on the Prevention and Control of Non-communicable Diseases. Sixty-sixth session 2012, Agenda item 117 ([A/RES/66/2](#)).
2. Thow AM, Downs S, Jan S. A systematic review of the effectiveness of food taxes and subsidies to improve diets: Understanding the recent evidence. *Nutrition Reviews* 2014;72: 551-565. [doi: 10.1111/nure](#)
3. Sassi F, Belloni A. Fiscal incentives, behavior change and health promotion: what place in the health-in-all-policies toolkit? *Health Promotion International* 2014; 29(S1), i103-i112. [doi: 10.1093/heapro/dau050](#)
4. Backholder K, Blake M, Vandevijvere, S. Sugar-sweetened beverage taxation: an update on the year that was 2017. *Public Health Nutrition* 2017, 20(18), 3219-3224. [doi: 10.1017/S1368980017003329](#)

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