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WORLD BANK GROUP

Improving the Use of Taxation Policy to Address NCD in Tonga

Summary from Stakeholders Consultative Workshops

TongaHealth

Food and Agriculture Organization of the United Nations

Australian Aid

NEW ZEALAND FOREIGN AFFAIRS & TRADE Aid Programme

Government of Japan

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WORLD BANK GROUP
Stakeholders Consultation Workshop on
"Improving the use of taxation policy on tobacco, alcohol, food and beverages as a response to the NCD crisis in Tonga"
September 3, 2018 Tanoa International Dateline Hotel
Nuku'alofa, Tonga

1 Executive Summary

This report provides an overview of the "Improving the use of taxation policy on tobacco, alcohol, unhealthy food and beverages as a response to the NCD crisis in Tonga" consultative workshop held in Tonga. The purpose of the workshop was to present the findings from the taxation evaluation and garner input for the development of the recommendations.

The workshop was held in Nuku'alofoa on Monday 3rd September 2018 with approximately 60 in attendance. A second workshop was held in Vava'u on Wednesday 5th September 2018 with approximately 35 attending. There were representatives from a range of government agencies, non-government organizations, the business community, development partners, church groups and the community.

The structure of the workshop was similar for both sessions, however with different guest speakers providing the welcome address. Furthermore, the 'Hard Talk' session in Nuku'alofa was video recorded and then highlights were played during the Vava'u session. The workshops were intended to be interactive and encouraged individuals to provide their perspectives on the findings from the study and opportunities to improve strategies to address the NCD crises. There were some key discussion points that were raised through both sessions which included:

NCDs continue to be a significant problem in Tonga and across the Pacific requiring strong leadership and a concerted effort to address not just from the health sector, but all government agencies, community, businesses, church groups and non-government organizations.

- Taxes are only one mechanism to create behavior change, but this needs to be supported by complementary programs.
- Consideration needs to be given to the adverse effects increasing taxes may have on the poorer members in the community and what support is available to them.
- The taxation policy is only strong if it can be properly implemented and enforced by the Competent Authority; particularly the regulation of imported fruit prices.
- Government, churches and community can support people to make healthy choices by creating an environment in which makes healthy eating the easiest and preferred option.
- The experience in the Outer Islands differs to that of Tongatapu. Consideration needs to be given to how polices might impact Outer Island communities and the differing support that might be needed.
- Consultation with community, businesses, church groups and other stakeholders is key to effective policy and program development.
- Participants were divided into groups to discuss strategies to strengthen existing policies as well as additional actions that should be taken to address NCDs. The five topics which were the focus of this session was; tobacco, alcohol, unhealthy foods, healthy foods and physical activity. The recommendations made were:

Overarching recommendations

These recommendations crossed all five focus areas and included:

- Strengthening governance structures such as the National NCD Committee and associated working groups,
- Taking a whole-of-government approach to the NCD crisis,
- Greater engagement with the churches and recognizing the important role they play in shaping community attitudes and behaviors,
- Utilization of district and town councils to communicate with outer island communities,
- Greater consultation on the taxation policy with a community awareness program to educate people on the purpose of the tax and what it is attempting to achieve,
- Ongoing monitoring of the taxation policy and regular feedback to relevant stakeholders on the progress,
- Inclusion of NCDs in school curriculum which would include issues of healthy eating, exercise, tobacco and alcohol use,
- Consumer rights education programs to empower the community when purchasing products and knowing legislation around alcohol,

Vava'u Workshop; Dr Sutayut Osornprasop and Hon. Losaline Ma'asi

tobacco and imported fruits,

- Better complaint mechanisms to provide consumers with an avenue to report breaches such as smoke free zones or products sold over the price ceiling,
- Ear-marking revenue raised through the NCD taxation policy to support the interventions to address the NCD crisis.

Tobacco

- Tax Tapaka Tonga to align to the existing taxes on imported cigarettes,
- Include warnings and graphic images on Tapaka Tonga packets aligned to warnings currently on imported cigarettes,
- Develop programs to support families to transition from growing tobacco to growing other crops.

Alcohol

- As taxes increase, strategies need to be in place to avoid individuals switching from imported alcohol to locally made home brews or other drugs,
- Development of a national awareness strategy on the harms of alcohol utilizing radio and television.

Unhealthy foods

- Removal of additional taxes on chicken as it has been shown to be regressive, and is not necessarily unhealthy,
- Development of guidelines which all imported products are measured against, and those which meet a determined criterion (content of sugar or fat reaches a defined threshold) to be included in the NCD tax,
- Strengthening regulation of imported food products to ensure all products meet a determined standard,
- Enforcement of the price ceiling on imported fruits by the Competent Authority.

Healthy foods

- Incentive programs to support businesses to promote and sell healthy local foods,
- Cooking classes for the community utilizing local healthy foods,
- Supporting agriculture to further develop the local food industry to be able to provide healthy alternatives.

Physical activity

- Development of local sporting groups to promote healthy living and exercise,
- Tax exemptions for sporting equipment,
- Incentives provided to build sports grounds or sporting facilities,
- Development of more walking tracks and accessible equipment such as 'outside gym'.

The next steps for the taxation policy evaluation was discussed at the workshops. Participants requested the final report feedback session be pushed back from December 2018 to late January 2019 or later due to conflicts with staff leave. The recommendations and feedback from this consultation sessions will be included in the final evaluation report and presented back to stakeholders during this 2019 meeting.

2
Introduction

This report provides an overview of the "Improving the use of taxation policy on tobacco, alcohol, unhealthy food and beverages as a response to the NCD crisis in Tonga" consultative workshop held in Tonga from Monday 3rd to Wednesday 5th September 2018.

This workshop was the final phase in the evaluation of the NCD taxation policy, which aimed to address the growing NCD crisis in Tonga through taxation changes. The analysis from the evaluation was presented to relevant stakeholders from across government, non-government, community, business and development partners to gain insight and feedback to shape the final recommendations for the evaluation.

This report will provide commentary on each of the sessions from each of the two workshops. The main purpose of the report is to accurately reflect the comments, questions and concerns raised by participants throughout the workshops to inform the final report.

3
Nuku'alofa Workshop

This workshop was attended by approximately 60 stakeholders and was held at the Tanoa International Dateline Hotel conference room on Monday 3rd September 2018.

3.1 Welcome addresses

Welcome addresses were provided by;

- Mrs. Kilisitina Tuaimei'api- A/CEO, Ministry of Finance & National Planning
- Mr. Tatafu Moeaki and Dr. Sutayut Osornprasop- World Bank
- Ms. O'feina Filimoehala- Tonga Health Promotion Foundation
- Ms. Fiasili Lam- Food & Agricultural Organization
- His Excellency Andrew Ford- High Commissioner, Government of Australia's Department of Foreign Affairs & Trade
- Her Excellency Tiffany Babington- High Commissioner, Government of New Zealand's Ministry of Foreign Affairs & Trade.

The welcome addresses covered a range of issues, but all focused on the importance of this study in helping the Tongan government address the significant challenge of growing NCDs in the country. The welcome addresses demonstrated a strong commitment to fighting the NCD crisis and the important role government, non-government, development partners and community play in achieving this goal.

Nuku'alofa: His Excellency Andrew Ford making his welcoming address

Nuku'alofa: Her Excellency Tiffany Babington making her welcoming address

3.2 Opening remarks

The workshop was formally opened by Hon. Mr. Mateni Tapueluelu, Acting Minister of Finance and National Planning and Minister for Revenue and Customs. The Hon. Mr. Mateni Tapueluelu reflected on the importance of the study as one of the few countries in the Pacific to implement taxation policies as a response to the NCD crisis. He highlighted that monitoring and evaluating the effectiveness of policies are vital to inform future efforts and identify opportunities for improvement.

The Honorable Mr. Tapueluelu outlined the purpose of the consultative workshop and encouraged participants to be open and honest to inform the recommendations and to

Nuku'alofa: Dr. Sutayut Osornprasop presenting evaluation results

improve the effectiveness of future interventions and taxation policies.

3.3 Key findings from study

Dr. Sutayut Osornprasop, Senior Human Development Specialist World Bank provided an overview of the key findings from the study which was followed by a Q&A session.

The key findings from the study highlighted the long-term consequences of NCDs and the impacts on economic opportunities for the country, specifically with labor supply (quality and quantity) and capital accumulation due to reduced spending as a result of higher health costs and diverting government spending from other areas of the budget to health.

The study focused on the impacts of NCD taxation on:

- Price,
- Consumption behaviors,
- Government revenues.

3.3.1 Results

Tobacco taxation

There has been a significant increase in excise taxes on tobacco. This rise in tobacco tax, and therefore price, has led to a decrease in tobacco sales. In the 2016-17 period; there has been a 40.4 percent decrease in retail sales.

To continue to be effective, the tax has to be adjusted and increased on a yearly basis to enable continued behavior change in the community.

The tax on imported tobacco has been powerful enough to change the market share of the most popular cigarette brands. There was a shift from Pall Mall in 2011 to Palataisi as the most popular brand.

The number of manufactured cigarette sticks consumed has decreased across all socio-economic groups with an average decrease from 16 per day down to 9 cigarettes per day. However, based on interviews, it is price not health that is the main reason for changing smoking habits.

Over 20 percent of smokers have shifted to smoking Tapaka Tonga which is not taxed, is cheap and is widely available in shops. Tapaka Tonga is now the most popular and consumed product.

Food taxation

The foods in scope for the additional tax included; mutton flaps, turkey tails, ice cream and chicken leg quarters.

There was a difference in the purchasing habits of those in Quintile 1 and Quintile 2 groups which are more sensitive to price change on food purchasing compared to higher quintile groups. Tax appears to affect the behaviors of those consuming large amounts of unhealthy foods (mutton flaps). There was a noticeable shift from mutton flaps to salted beef as a substitute.

Price was reported as the main motivator for behavior change rather than health concerns. The increase in price across all foods has led to a decrease in consumption to less frequent consumption of those products. The behavior change was due to cost change not concerns over health.

Alcohol taxation

Consumption of beer has decreased with less alcohol consumed by drinker. Two thirds of consumers did not change their behavior.

Removal of consumption tax on healthy foods

Few people know about the removal of the consumption tax and the tax exemption was not passed onto the consumer. Behavior change did not occur as no price change occurred to motivate individuals. Stores are selling oranges and apples higher than the maximum price set by the government.

Qualitative study findings

Focus groups with the community were held across Tonga. The study found low awareness of the NCD taxation policy, with most participants learning about the taxation policy changes through radio broadcasting. Most individuals interviewed did not know the tax changes was for health improvement. Affordability was the critical factor for families when making consumption decisions.

The qualitative study also asked for how NCD tax revenue should be spent, respondents provided the following ideas:

- Supporting domestic vegetable and chicken farms
- Support civil servant salaries
- Subsidizing fish
- Medical facilities
- Sporting facilities

Factors identified for hindering healthy eating included:

- Unavailability of fresh vegetables
- Lack of knowledge about healthy lifestyles
- Lack of knowledge about healthy

cooking

- Laziness despite having knowledge

Other reported factors influencing consumption choices were:

- Cultural obligations and traditions
- Church obligations
- Church camps

Communication pathways to raise awareness of policy changes included:

- Social media
- Visits to the community by government and ministers.

The experience of the tax changes was different between urban and rural communities. There is limited availability of alternative options in rural environment compared with the urban environment in which noodles are a staple.

3.3.2 Q&A session

The Q&A session was facilitated by the World Bank and provided an opportunity for workshop participants to provide comments, questions and insights on the findings from the study.

The following provides a summary of the issues and queries raised by participants:

Nuku'alofa: Dr. Viliami Fifita, Government Statistician, participating in the Q&A session

Nuku'alofa: Representative of the private sector actively participating in Q&A

Impact on poorer families in the community

Concerns were raised regarding the impact of regressive taxes which is driving the poor to consume unhealthy foods. A multi-pronged approach is needed to change the mindset of the community through education as well as support.

It is important to find a way to reach the poor and their families- that is the best approach to create change in the community. Decreasing access to unhealthy foods is a good approach, but what is it replaced with? There needs to be healthy local substitutes in place alongside this strategy.

Alcohol and tobacco

It is important to educate the public on why there is a need to impose additional taxes. Is it for revenue raising? Is it for health? How the revenues are used? There needs to be better engagement with the community to ensure they understand the need for the new taxes.

There were concerns raised on the rise of ice, kava, home brew use within Tonga. The question was asked how does the tax policy impact on individuals choosing alternative substances due to the increased price?

The reduction of tobacco and alcohol use may not only be due to the taxation policy. What other programs are occurring which is influencing behaviors?

Local beer and imported beer tax policies - a participant asks if there are ways not to hamper local manufacturing efforts and companies that produce these products.

Improving engagement with the community

The government should look at ways to enhance the community rather than just prevent things. There should be greater engagement with the business community when developing policies. The government should create incentive programs for businesses to market healthy products to encourage the commercialization of healthy foods.

We need to look at the recommendations made and get government agencies together and implement findings properly.

Other comments

Affordability and access are the key issues; people are not always driven by cost alone. Further taxation policy may restrict

importations on unhealthy products to limit availability and choice.

Have the tax changes had an impact on inflation? What is the wider economic impact of the taxation policy? How does it impact inflation and how should this be considered moving forward with future taxation policies?

Sustainable health financing- The use of revenue collected to support the health system moving forward. There is a gap in health financing preventative care with greater expenditure for acute care. The size of the problem is increasing, the cost is increasing, we need to be efficient in revenue collection as well as efficient in prevention.

Exclusion of fruit taxes: there are a range of reasons prices were not lower as a result of removal of taxation on imported fruits.

3.4 Special presentation from the Ministry of Finance and National Planning

Mr. Sione Raleafa, Chief Economist at the Ministry of Finance and National Planning presented the financial impacts of the NCD taxation policy. This included the changes in consumer purchasing behavior and the revenue raised through the changes to taxes over the last five years.

3.5 Group Work

Participants were divided into groups and provided with a facilitator to answer the following questions:

1. How to improve the NCD tax policy through design, implementation and monitoring
2. How to improve Ministry collaboration to address the NCD crisis

Five topics were selected which contribute to reducing NCDs. Participants were given an hour to work in their small groups before presenting their findings and ideas back to the broader group. The following outlines the top recommendations determined by each group.

3.5.1 Physical activity

1. Tax exemption for sporting equipment or incentives for building sports grounds etc.;
2. Earmark funding raised through NCD tax for infrastructure projects which promotes physical activity;
3. Handing over responsibility and maintenance of sports grounds to village council- training of this group to enable them to support the ongoing management of the sporting facilities; and
4. More walking tracks and outdoor sports equipment.

3.5.2 Tobacco

1. Apply tax to local tobacco to decrease smoking;
2. Multi-sector approach to monitoring. Tonga Health revive the committees to provide good advice to the national NCD committees; empower them have input into policies; and
3. Mainstreaming the NCD tax to health department.

3.5.3 Unhealthy food

1. Improve on the NCD sub-committees;
2. Greater consultation with consumers and relevant stakeholders;
3. Inclusion of local food council in discussions as an advocacy group;

Nuku'alofa: Group work;
developing recommendations for action

4. Whole of government approach to addressing NCD;

5. Inclusion of churches and schools into the interventions;

6. Education and consultation with the community over the purpose and intent of the tax so it isn't considered punitive or punishment. Clearly articulating why the tax policy is needed;

7. Spend time and money on preventative health not just curative; and

8. Bringing all relevant stakeholders together- consider the tax not as a policy from Finance but a health policy.

3.5.4 Healthy food

1. Design- need for government stakeholders to determine if the policy will work before it is implemented;

2. Churches to be included from the initial stage not informed once the policy has been decided;

3. Implementation- gap in communication of the policy with the community. Lack of enforcement and monitoring of the policy once implemented; and

4. Stakeholder collaboration at the stage of the design not at the point of implementation particularly with the Competent Authority.

3.5.5 Alcohol

1. Design- identifying and addressing the unintended consequences of the policy;

2. Consultation and awareness raising- ongoing process;

3. Change has to be sustained through ongoing awareness;

4. Good monitoring using data;

5. Healthy eating at church conferences; and

6. How to change culture within the church; "we show appreciation by giving more" the culture around giving and excess- how do we change this to then be translated into the home?

Nuku'alofa: Hard Talk Panel members

3.6 Hard talk: What is next for Tonga?

This was a facilitated session by Dr. Sutayut Osornprasop who raised a number of key questions with a panel of experts which was then followed by a participant Q&A.

Mr. Kelemate Vahe; CEO of Ministry of Revenue and Customs- The key challenge is changing the mindset of the people. When you say tax will improve health it is not a big issue as we have the right to choose what to eat and buy. Difficulty arises with enforcement and monitoring of the tax policies put in place. Taxation policies works- the purpose of taxation is health. Where the gap is now is education around healthy choices. We should have a

Nuku'alofa: Mr. Kelemete Vahe on the Hard Talk panel of experts

Nuku'alofa: Dr Siale 'Akau'ola on the Hard Talk panel of experts

Nuku'alofa: Mr. Viliami Manu on the Hard Talk panel of experts

Nuku'alofa: Mrs. Sandra Fifita on the Hard Talk panel of experts

massive campaign around what foods are healthy. We only have one life. They don't fully understand that taxation is to promote good health. Taxation policy is not for the sake of the tax but for the health of the population.

Dr. Siale 'Akau'ola; CEO of Ministry of Health- We need to make healthy choices to become easy choices. All departments are responsible to make this happen. Only 30% of NCD management is within the sphere of influence of MoH. Other areas have more ability to influence NCD rates.

If we don't provide people with the best opportunities, healthy food options and infrastructure to support physical activity they will get NCDs.

It is important to taxing commercialized Tapaka Tonga- you don't need to smoke to live.

Learning the impacts of the taxes; we learn from our mistakes and realign our policies to reflect this. We should focus on the goal we are trying to achieve- a healthy society. This is new- we are learning, it's a part of the process of forming new policies.

Mr. Viliami Manu; CEO of Ministry of Agriculture, Food and Forestry- Seeing importations increase as Tonga cannot produce enough proteins to support demand. New industries are developing such as beef and diversifying into pork. There are also new projects to support commercial production of poultry for meat as we need to build a stronger local industry. There are opportunities now, the NCD tax provides a space for local industry to develop. Subsidizing healthy products to make it cheaper? Fish export has been dropping in the last few years, in the past fuel for fishing boats has been subsidized. There needs to be price regulation to ensure any subsidy that is implemented is passed onto the consumer. We need new strategies to build up local markets through the fish unfit for export which are currently thrown back into the ocean rather than selling domestically. Is there a way to access these fish to sell domestically?

Agriculture fully support these taxation policies. When tobacco prices increase young people switch to Tapaka Tonga.

Mrs. Sandra Fifita- The Revised Bill is close to being developed. Under the revised bill- the Competent Authority can determine the measurement the goods can be sold in (aims to address the issues with fruit selling). This is in response to the feedback from consumers. Enforcement- stronger enforcement programs are needed, particularly in the outer islands.

Ms. O'Feina Filimoehala; CEO of Tonga Health Promotion Foundation- The Foundation are partnering with Health Promotion, Ministry of Education, Health and Internal Affairs to develop interventions to address NCDs.

The Foundation are always willing to support interventions which will improve health and are interested to fund a healthy cooking program as suggested. Open to applications to promote healthy cooking and Tonga Health is open to applications to promote healthy cooking and eating local ingredients.

Mr. Saia Vea; President of SDA- Healthy life choices an important part of the SDA church. The church can play an important role in promoting health. In line with the King's stance on healthy eating- the church conference aligned to this principle and leading by example to both promote health as well as saving the resources of the family. From this, the foundation is already laid with expectations with the community and the role of the Church in educating our members on healthy food choices and promoting healthy lifestyles. Some strategies the Church has undertaken includes serving healthy breakfasts at the square and getting the right to import Sanitarium products into Tonga to make it more cost effective for the community. The Church has a Health Officer working collaboratively with MoH and Tonga Health for NCD screening and clinics. Churches are adopting more healthy catering options as well as exercise programs run through the church. There are not enough healthy food outlets here in Tonga. Limiting options for eating at church events is one strategy to address NCDs that has been implemented. This was met with resistance from the community as it was a significant change from traditional feasts.

The government should utilize the taxes from the NCD tax and use it to improve services.

Mr. Silongo Samuela; representative from LDS- The Church has established a course promoting healthy eating and physical exercise which will be starting next year. The Church are actively aligning to Government policies on tackling NCDs. One established program includes a demonstration garden, teaching local women how to establish a garden and become more self-sufficient and also adopt healthy eating. Working collaboratively with Agriculture and partnering with other groups and churches to share resources to get healthy and stay active.

Nuku'alofa: Ms. O'Feina Filimoehala on the Hard Talk panel of experts

Nuku'alofa: Mr. Saia Vea on the Hard Talk panel of experts

Nuku'alofa: Mr Silongo Samuela speaking for Hard Talk

3.6.1 Q&A session

Participants were able to questions of the Expert Hard Talk Panel as well as provide comments on anything from the previous sessions. The following outlines the key areas of discussion

Taxes

Need to use other strategies to raise revenue, not only taxation. Must be careful that tax policies don't become regressive and have too many negative impacts on the community.

Price controls- price controls with fruits- no tax only benefits importers but does not benefit the consumers.

Alcohol and other drugs

Need to ensure the impact of increase in alcohol and tobacco taxes does not lead to an increase in the use of ice and illegal drugs. There should be greater focus from MoH on people with addictions- alcohol, gambling, drug use as a health issue not a justice issue.

Healthy diet at school

Children in schools should be a specific focus. By educating them on healthy eating, quality and quantity of food and active lifestyles we are giving them life skills and normalizing healthy eating. Other opportunities to integrate with schools, such as gardens, donations and healthy foods at school driven by the PTA.

Other comments

- Importance of awareness training to educate church communities,
- Importance of working together, there is a breakdown within the government and throughout the country with healthy living,
- Promotion and utilization of traditional and local foods healthy foods in the community. Local and traditional foods are healthier and better quality- promoting traditional meals as an approach to improving health,
- Change of mindset around physical activity,
- Creating an environment which supports healthy choices and makes 'bad' choices more difficult.

3.7 Closing remarks

Closing remarks were provided by Dr. Siale 'Akau'ola; CEO of Ministry of Health and Mr. Yutaro Setoya; World Health Organization (WHO).

Dr. 'Akau'ola focused on the other health strategies currently in place to address NCDs such as WHO Pacific Island Monitoring Framework for NCD action and the Early Childhood Obesity (ECHO) project to address childhood obesity. The Ministry of Health is working on a range of other projects and capacity building initiatives to sustain the work currently undertaken to better prevent and treat NCDs in Tonga.

Mr. Setoya highlighted that Tonga is leading the Pacific and the world with their approaches to managing NCDs. At the international No Tobacco Day Tonga was a winner of WHO award for public health campaign for the national quit line.

Health policies are all about changing behavior. There always needs to be a balance and a focus on how to increase knowledge that there is a benefit but also a consequence with choices we make.

WHO is happy to support Tonga with the fight against NCD with World Bank and other partners.

Nuku'alofa: Mr. Setoya from WHO providing closing remarks

4
Vava'u Workshop

The Vava'u Workshop was held on Wednesday 5th September 2018 at the Governor's Office in Vava'u with approximately 35 participants in attendance.

4.1 Welcome addresses

The welcome addresses were presented by the following special guests:

- Mr. Sione Faleafa; Ministry of Finance and National Planning
- Dr. Sutayut Osornprasop; World Bank
- Ms. Fiasili Lam; Food & Agricultural Organization

The welcome addresses covered a range of issues, but all focused on the importance of this study in helping the Tongan government address the significant challenge of NCDs in the country. The welcome addresses demonstrated a strong commitment to fighting the NCD crisis and the important role government, non-government, development partners and community play in this project.

Vava'u: Ms. Fiasili Lam giving the welcome address

4.2 Opening remarks

Opening remarks were provided by the Hon. Losaline Ma'asi; Minister of Internal Affairs. The Honorable Ms. Mas'asi reflected on the importance of the study as one of the few countries in the Pacific to implement taxation policies as a response to the NCD crisis. She also highlighted the importance of considering the impacts of taxation policy on Outer Islands and remote communities.

The Honorable Ms. Mas'asi outlined the purpose of the consultative workshop and encouraged participants to be open and honest to inform the recommendations to improve the effectiveness of future interventions and taxation policies.

Vava'u: Hon. Losaline Ma'asi providing the opening remarks for the workshop

4.3. Word of Thanks

The Governor of Vava'u Lord Fakatulolo spoke about the importance of consultation in the development of government policy. He spoke on behalf of the chiefs of Vava'u to offer thanks and appreciation on being included in this workshop to provide the Vava'u perspective and experience.

4.4 Key findings from study

Dr. Sutayut Osornprasop presented the key findings from the study which was followed by a Q&A session. The key comments, feedback and questions were as follows:

Agriculture

Need to highlight how greater access locally to nutritious produce is vital. We also need longer term plans such as development of local fruit and vegetable industry.

Lifestyle and overconsumption

We need to consider a feasibility study into the lifestyle of Tongans and the way in which they consume. There needs to be an understanding as to what the behavior change challenges exist in order to inform policy interventions.

Need to focus on young people in the schools to change lifestyle early on. There is a need to train people and create an understanding of NCDs and health and how to make lifestyle changes.

Tax policy

Equal application of taxes on unhealthy products such as Tapaka Tonga and home brews. There was general support for tax exemption on healthy food products. But it needs to ensure the benefits are felt by the people.

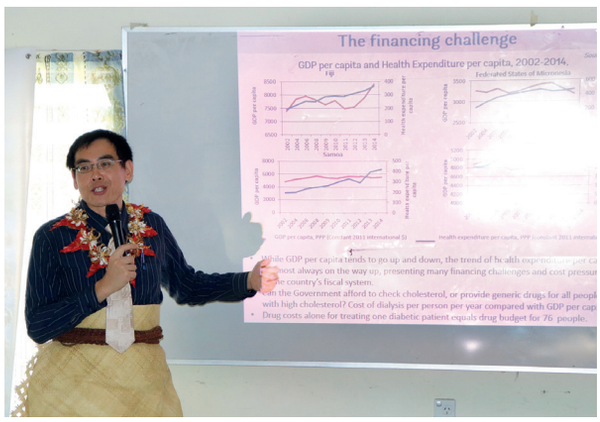
The Honorable Ms. Ma'asi stated the importance of policy need for education, training and enforcement of existing legislation. There needs to be stronger coordination, enforcement and coordination of interventions across Tonga and greater involvement of local communities in both program development as well as implementation and coordination. As with all programs of this scale there needs to be a process of both training and ongoing monitoring.

4.5 Special presentation from the Ministry of Finance and National Planning

Mr. Sione Faleafa, Chief Economist at the Ministry of Finance and National Planning presented the financial impacts of the NCD taxation policy. This included the changes in consumer purchasing behavior and the revenue raised through the changes to taxes over the last five years.

4.5.1 Q&A session

Tax policy



Vava'u: Dr. Sutayut Osornprasop presenting the key findings

Vava'u: Mr. Sione Hufanga presenting further findings from the study

Make fruit and vegetable sellers pay taxes as they are not passing on the tax exemption on to the customers.

Price control is the main problem, the Competent Authority needs to impose higher penalties and enforce legislation. There should be greater consumer education on their rights by raising awareness through churches.

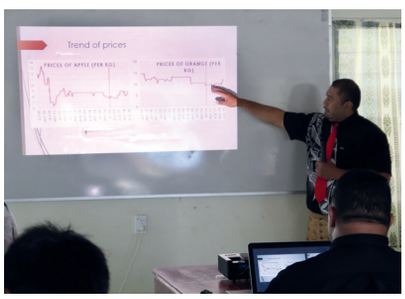
Need to consider the complete supply chain for produce and the role of the 'middle-men'; there should be greater scrutiny on this role and how it operates including the significant mark ups that occur.

Food choices

Addressing the change of mindset at the primary school level and through the churches. Kids are preferring imported unhealthy foods over healthy options. What strategies are there to address this?

Some churches are more active in supporting non-consumption of alcohol and tobacco as a policy for addressing health issues.

Need to emphasis/notice the challenges for meals; there is a preference for meat within the home. Within home gardens; funding needs to be in the outer islands not just the capital. There are many gaps due to lack of facilities.



Vava'u: Mr. Sione Faleafa presenting the financial impacts from the tax policy.

Vava'u: Group work to develop recommendations

Vava'u: Group work to develop recommendations

The quantitative and qualitative survey should have included non-Tongans, this is particularly important for tobacco and alcohol consumption.

4.6 Group Work

Participants were divided into groups and provided with a facilitator to answer the following questions:

1. How to improve the NCD tax policy through design, implementation and monitoring
2. How to improve Ministry collaboration to address the NCD crisis

Four topics were selected which contribute to reducing NCDs. Participants were given an hour to work in their small groups before presenting their findings and ideas back to the broader group. The following outlines the top recommendations determined by each group.

4.6.1 Tobacco

1. Tax Tapaka Tonga, increase tax on imported cigarettes;
2. Graphic warning on packs including Tapaka Tonga;
3. Workshop in the villages to encourage the replacement of tobacco crops with vegetable or other produce to support families dependent on this as an income;
4. Training people on their rights. The enforcement of rules against smoking in public places;
5. Checking prices of goods; enforcement of policy;
6. Education and training on the dangers of tobacco;
7. Better and more prompt response to complaints from the public to town councils or the police; and
8. Greater collaboration on national NCD actions.

4.6.2 Unhealthy food

Implementation:

1. Raise taxes further;
2. Run community cooking programs to reduce unhealthy eating;

Design

1. Look at the selection of unhealthy food for taxing, is it the right food?
2. Implement a scientific model to

determine taxes;

3. How does the tax differentiate between healthy and unhealthy meats?

Monitoring

1. People need to be made aware of the tax;

2. All stakeholders are consulted on the taxes (such as shop and business owners);

Multi-sectorial collaboration

1. Stronger role of the Church in promoting healthy eating;

2. Greater collaboration between the government and businesses;

3. Inclusion of schools and education in discussions on nutrition; and

4. Government need to ensure ongoing dialogue with community on the issue, especially with churches.

4.6.3 Healthy food

1. How are healthy and unhealthy foods defined and considered? (i.e. the use of pesticides etc. on imported fruits is also unhealthy). The Taskforce should make this determination;

2. Strengthen regulation on importation foods to reflect more global standards (prevent the Pacific from being a dumping ground for goods banned from other countries);

3. Healthy schools with healthy food- integrate into the curriculum as well as healthy lunches funded through tax raised;

4. Regular training at a community level;

5. Promotion of local foods and reducing processed foods;

6. Promoting local foods and whole foods as health intervention. Utilization of traditional medicines;

7. Tax credits for the promotion of local healthy industry. Make healthy production achievable/financially beneficial for businesses;

8. Greater sports and exercise facilities;

9. Promoting collaboration and engaging with all stakeholders;

10. Provide incentives for collaboration- through the PMS as a staff KPI; and

11. Highlight the role of district and town officers and utilize for reaching the community.

4.6.4 Alcohol

1. National awareness strategy- TV, radio, ngaueaki kotia e mita (TV most effective, but fluctuates in outer islands);

2. Give other options and alternatives like sports;

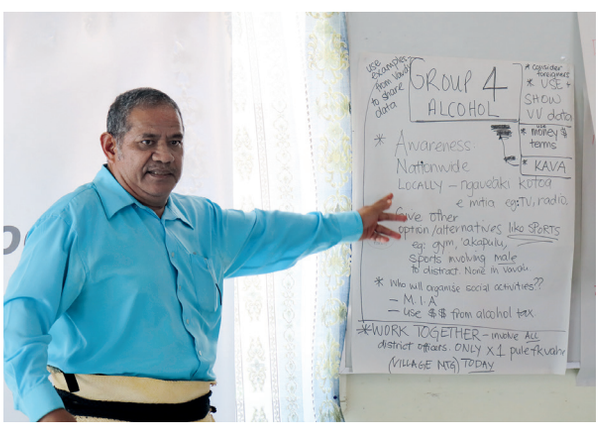
3. Who will organize social activities? Is this something that can be achieved through MIA using the money raised through the NCD tax;

4. District Officers role and how they can be leveraged to share information and knowledge of policies through these roles;

5. Local realistic solutions;

6. What are the rates of drinking when tourists and ex-pats are excluded; and

7. Kava plantations just commenced in Vava'u which is an alternative to alcohol, but consideration of the health outcomes needs to be given.



Vava'u: Group work to develop recommendations

4.7 Hard talk: What is next for Tonga?

A short video of the Hard Talk from the Nuku'alofa workshop was played to provide participants an understanding of the key issues, comments and considerations that were raised in the initial workshop.

4.8 Closing remarks

Mr. Setoya from WHO highlighted that Tonga is leading the Pacific and the world with their approaches to managing NCDs. At the international No Tobacco Day Tonga was a winner of WHO award for public health campaign for the national quit line.

Health policies are all about changing behavior. There always needs to be a balance and a focus on how to increase knowledge that there is a benefit but also a consequence with choices we make.

WHO is happy to support Tonga with the fight against NCD with World Bank and other partners.

5
Media coverage

The workshop gathered extensive media coverage both within Tonga and in the region. The findings from the study and the recommendations for the future were the main focus of the local media coverage which is listed below. Additional stories were also published through Australian based media outlets and social media

Local Media

Tax increase on tobacco drives Tonga's smokers to local 'tapaka':
https://matangitonga.to/2018/09/03/tax-increase-tobacco-drives-tongas-smokers-cheaper-alternatives

New NCD crisis study recommends tax on local tobacco:
https://matangitonga.to/2018/09/05/new-ncd-crisis-study-recommends-tax-local-tobacco

Consider a "fat" food tax, study recommends:
https://matangitonga.to/2018/09/18/consider-fat-food-tax-study-recommends

Government press release

Minister for Internal Affairs attends NCD taxation policy assessment in Vava'u:
http://www.gov.to/press-release/minister-for-internal-affairs-attends-ncd-taxation-policy-assessment-in-vavau-2/

Australian media

NCD taxes in Tonga:
http://mpegmedia.abc.net.au/radioaustralia/radioaustralia/audio/201809/pba-2018-09-06-pacislfor-ncd.mp3

Tonga's tobacco taxes:
http://www.devpolicy.org/tongas-tobacco-taxes-20180924/

Social media

Minister for Internal Affairs attends NCD taxation policy assessment in Vava'u:
https://www.facebook.com/TongaGovtPortal/posts/931454673721399

Appendix A: Attendance List for Nuku'alofa

No	Name	Designation
CABINET MINISTERS		
1	Hon. Semisi Fakahau	Minister for Agriculture, Fisheries, Forestry & Food
2	Hon. Losaline Ma'asi	Minister for Internal Affairs
MEMBERS OF PARLIAMENT		
3	Hon. Siaosi SOVALENI	Tongatapu 3
HEADS OF DIPLOMATIC MISSIONS		
4	H.E. Mr. Andrew FORD	Australia
5	H.E. Ms. Tiffany BABINGTON	New Zealand
6	H.E. Mr. Tetsuya ISHII	Japan
7	Yasushi Hayaki	JICA Resident Representative
DEVELOPMENT PARTNERS		
8	Debra Allen	Department of Foreign Affairs and Trade
9	Madeleine Scott	Department of Foreign Affairs and Trade
10	Elena PROCUTA	MFAT Deputy High Commissioner
CHURCH LEADERS		
11	Pastor Saia VEA	President, Seventh Day Adventist Church
12	Rev. Siamelie Latu	Free Constitution Church of Tonga
13	Rev. Samuela Fakafou	Free Constitution Church of Tonga
14	Silongo Samani	LDS
NON – GOVERNMENT ORGANIZATIONS		
15	Mrs. Mele Amanaki	Chairperson National Food Council
16	Ms. Fuiva KAVALIKU	Director, Women & Children's Centre
17	Mrs. Papiloa FOLIAKI	Board Mamber, Tonga Trust
Technical Staff		
18	Mr. Metuisela Falesiva	Food Division, Ministry of Agriculture
19	Mrs. Sandra Fifita	Ministry of Labor and Commerce
20	Mr. Eva Mafi	Ministry of Health
21	Mr. Sione Faleafa	Ministry of Finance and National Planning
22	Mrs. Natalia Palu Latu	Ministry of Finance and National Planning
23	Mrs. Monica Tu'ipulotu	Program Coordinator, Tonga Health Promotion Foundation
24	Mr. Sione Lolohea	Government Statistics Department
25	Dr. Siale Akauola	Ministry of Health CEO
26	Viliami Fifita	Department of Statistics: Government Statistician (CEO)
27	Jeanie McKenzie	NCD Adviser, TongaHealth
Civil Society, Academia, Businesses and Community Groups		
28	Sione Taumoefolau	Red Cross Tonga
29	Ms. Elizabeth Cowley	Assistance Treasurer, Tonga Chamber of Commerce & Industry Inc. & Council Member (+ Owner of Waterfront Lodge & Restaurant)
30	Rheema Misa	Position Community Education (disability), Tonga Family Health Association (TFHA)
31	Mele 'Amanaki	National Food Council

No	Name	Designation
Additional Participants		
32	Ms. Tinalasa Vunipola	Monitoring and Evaluation Health Promotion Officer, Ministry of Health
33	Ms. 'Ana Soakai Takai	Senior Manager Economics, National Reserve Bank of Tonga
34	Semisi Fukofuka	MOH
35	Rev 'Etuate Manuofetoa	FWC
36	Amilini	TFHA
37	Sione Fifita	Community Development & Research Officer
38	Sione Lolohea	Statistics Dept
39	Ana Ika	MOFNP
40	Semisi Faupula	MOFNP
41	Toakase Peteli	MOFNP
42	Sivoki Lavemaau	MOFNP
43	Latu Fusimalohi	MOH
44	Tupou Tu'ilautala	MOH
45	Fuiva Kavaliku	TNCWC
46	Winston Fainga'anuku	Statistics Dept
47	Maude Ruest	World Bank
48	Dr Sutayut Orsonprasop	World Bank
49	Mr. Sione Hufanga	World Bank
50	Dr Cathy Latu Tekiteki	World Bank
51	Mr. Erling Ve'etutu	World Bank
52	Mrs Sela Latailakepa	World Bank
53	Mr. Pita Feimoeafi	World Bank
54	Mr. Sione Saumaki	World Bank
55	Mr. Uikilifi Lolohea	World Bank
56	Mrs Jodie Brabin	World Bank

Please note additional attendees arrived late and therefore did not sign in. This list is not reflective of the total attendance number.

Appendix B: Attendance List for Vava'u

No	Name	Organization
1	Hon. Losaline Ma'asi	Minister for Internal Affairs
2	Lord Fakatulolo	Governor of Vava'u
3	Dr. John Lee Taione	Ministry of Health
4	Leody Vainikolo	Ministry of Agriculture
5	Vehitau Ma'ukie	Customs Department, Ministry of Revenue and Customs
6	Bruno Toke	Ministry of Tourism
7	Taulango Tapueluelu	Ministry of Police
8	Siosifa Lauti Fe'iloakitau	Ministry of Finance and National Planning
9	Father Pauli Ta'ai	Parish Priest - Catholic
10	Pastor Havili Sefesi	City Impact
11	Vava Fifita	'Ofisakolo - Neiafu
12	Paea Uasike	Pule Fkvahe- Leimatu'a
13	Falahola Tupou	Senior Accountant, Sub-Treasury Vava'u
14	Mr. Viliami Talivakaola	Latter Day Saints
15	Mr. Sione Tokoma'ata	Ministry of Education and Training
16	Mr. Tupou Latavao	Ministry of Customs and Revenue
17	Mr. Petelo Sanele Ulupano	Ministry of Infrastructure
18	Ms. Kakau Leander	Ministry of Agriculture and Forestry
19	Ms. Lisa Fanua	VEPA
20	Mrs Melenaite Ma'ukie	MORC
21	Mrs Eva Tu'uholoaki	MIA
22	Mr. Siaosi Moala	Mizpah HS
23	Dr Sutayut Orsonprasop	World Bank
24	Dr Cathy Latu Tekiteki	World Bank
25	Mr. Sione Hufanga	World Bank
26	Mrs Jodie Brabin	World Bank
27	Mrs Sela Latailakepa	World Bank
28	Mr. Pita Feimoefiafi	World Bank

Please note additional attendees arrived late and therefore did not sign in. This list is not reflective of the total attendance number.

Appendix C: Workshop Agendas

Stakeholders Consultation Workshop
"Improving the use of taxation policy on tobacco, alcohol, food and beverages as a response to the NCD crisis in Tonga"
(Tentative Program)

September 3, 2018
Tanoa International Hotel, Nuku'alofa

Master of Ceremony: Mrs. Natalia Palu Latu

Time	Session	Lead
08:30am	Registration	**Rev. Etuate Manuofetoa** Assistant Finance Secretary, Free Wesleyan Church of Tonga
09:00am	Opening prayer	
09:10am	Welcome Address	**Mrs. Kilisitina Tuaimei'api** A/CEO, Ministry of Finance and National Planning **Mr. Tatafu Moeaki and Dr. Sutayut Osornprasop** World Bank **Ms. 'Ofeina Filimoehala** Tonga Health Promotion Foundation **Ms. Fiasili Lam** Food and Agricultural Organization (FAO) **His Excellency Andrew Ford, High Commissioner** Government of Australia's Department of Foreign Affairs and Trade **Her Excellency Tiffany Babington, High Commissioner** Government of New Zealand's Ministry of Foreign Affairs and Trade
09:45am	Opening remarks by the Chair	**Hon. Mr. Mateni Tapueluelu** Acting Minister of Ministry of Finance and National Planning and Minister of Revenue and Customs
10:00am	Group Photo and Morning Tea	
10:30am	Presentation on key findings from the study	**Dr. Sutayut Osornprasop and World Bank Team** Senior Human Development Specialist, Global Practice on Health, Nutrition, and Population World Bank
	Q&A	
12:00	Special Presentation from the Ministry of Finance and National Planning	**Mr. Sione Faleafa** Chief Economist Ministry of Finance and National Planning
12:30pm	Working Lunch - Group Work	
1.40 pm	Presentations of key recommendations from the group work	**Workshop participants**

Time	Session	Lead
1.40 pm	Q&A	**Group Work Facilitators:** **Ms. Fiasili Lam,** FAO **Mr. Pau Likiliki,** FAO **Mr. Sione Hufanga,** World Bank **Dr. Catherine Latu,** World Bank **Ms. Jodie Brabin,** World Bank **Ms. Sela Latailakepa,** World Bank **Mr. Pita Feimoefiafi,** World Bank **Mr. Kilifi Lolohea,** World Bank **Mr. Sione Saumaki,** World Bank
2:30pm	Hard Talk: What is next for Tonga? (moderated session)	**Panelists:** **Mr. Kelemete Vahe,** CEO of Ministry of Revenue and Customs **Dr. Siale 'Akau'ola,** CEO of Ministry of Health **Mr. Viliami Manu,** CEO of Ministry of Agriculture, Food, and Forestry **Ms. 'Ofeina Filimoehala,** CEO of Tonga Health Promotion Foundation **Mrs. Sandra Fifita**, Ministry of Commerce, Consumer, Trade, Innovation, and **Labour:** **Mr. Saia Vea,** President SDA, Church Leader **Moderator:** **Dr. Sutayut Osornprasop,** World Bank
	Q&A	
3.45 pm	Summary and next steps	**Mrs. Kilisitina Tuaimei'api** A/CEO, Ministry of Finance and National Planning **Dr. Sutayut Osornprasop,** World Bank
4.10 pm	Closing remarks	**Dr. Siale 'Akau'ola** CEO of Ministry of Health **Dr. Yutaro Setoya** World Health Organization
	Closing Prayer	**Rev. Etuate Manuofetoa** Assistant Finance Secretary, Free Wesleyan Church of Tonga
4:30pm	Afternoon tea and end of workshop	

Appendix C: Workshop Agendas

Stakeholders Consultation Workshop

"Improving the use of taxation policy on tobacco, alcohol, food and beverages as a response to the NCD crisis in Tonga"

(Tentative Program)

September 5, 2018
Governor Office, Vava'u

Master of Ceremony:
Mrs. 'Evaipomana Tu'uholoaki, Deputy Director, Ministry of Internal Affairs

Time	Session	Lead
08:30am	Registration	Ministry of Internal Affairs
09:00am	Opening prayer	
09:10am	Welcome Address	**Lord Fakatulolo** Governor of Vava'u **Mr. Sione Faleafa** Ministry of Finance and National Planning **Dr. Sutayut Osornprasop** World Bank **Ms. O'feina Filimoehala** Tonga Health Promotion Foundation **Ms. Fiasili Lam** Food and Agricultural Organization (FAO)
09:45am	Opening remarks by the Chair	**Hon. Losaline Ma'asi** Minister of Ministry of Internal Affairs
	Word of Thanks	**Mr. 'Onetoto 'Anisi** A/Chief Executive Officer, Ministry of Internal Affairs
10:00am	Group Photo and Morning Tea	
10:30am	Presentation on key findings from the study	**Dr. Sutayut Osornprasop and World Bank Team** Senior Human Development Specialist, Global Practice on Health, Nutrition, and Population World Bank
	Q&A	
12:00	Special Presentation from the Ministry of Finance and National Planning	**Mr. Sione Faleafa** Chief Economist Ministry of Finance and National Planning
12:30pm	Working Lunch - Group Work	
1.30 pm	Presentations of key recommendations from the group work	**Workshop participants**
	Q&A	**Group Work Facilitators:** **Ms. Fiasili Lam,** FAO **Mr. Pau Likiliki,** FAO **Mr. Sione Hufanga,** World Bank **Dr. Catherine Latu,** World Bank **Ms. Jodie Brabin,** World Bank **Ms. Sela Latailakepa,** World Bank **Mr. Pita Feimoefiafi,** World Bank **Mr. Kilifi Lolohea,** World Bank **Mr. Sione Saumaki,** World Bank

Time	Session	Lead
2:30pm	Summary from Hard Talk: What is next for Tonga? Session in Nukua'lofa	**Mr. Sione Hufanga and Dr. Catherine Latu,** World Bank
3.30 pm	Summary and next steps	**Mr. Sione Faleafa, Chief Economist** Ministry of Finance and National Planning **Dr. Sutayut Osornprasop,** World Bank
4.00 pm	Closing remarks	**Mr. Sione Faleafa, Chief Economist** Ministry of Finance and National Planning **Dr. Yutaro Setoya** World Health Organization
	Closing Prayer	Ministry of Internal Affairs
4:30pm	Afternoon tea and end of workshop	