Sugar Tax Consultation Report 2018

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If you would like any further information about the Sugar Tax Consultation Final Report 2018, we look forward to hearing from you.

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Department of Health: Bermuda

GOVERNMENT OF BERMUDA

Ministry of Health

Sugar Tax Consultation Results (Final Report)

Contents

Consultation Background

On 4th January 2018 the Ministry of Health published a consultation document online that outlined proposals for introducing a sugar tax in Bermuda based on the Throne Speech 2017. The public were invited to respond through an online form or in writing to the Director of the Department of Health. The consultation period lasted 8 weeks and ended on 1st March 2018.

The Ministry received 345 responses to the consultation document, each providing thoughtful comments and details on the proposal. The Ministry is grateful to those persons who took the time to review the document and provide the feedback.

The Ministry prepared an initial interim report to provide a summary overview of the consultation feedback and it was published online on Friday, 16th March 2018. This full report considers the feedback and suggestions provided by respondents, and lays out the recommended policy direction as a result of the consultation process.

Bermuda's Issue

The Throne Speech 2017 proposed implementing a Sugar Tax on certain foods and drinks to help to address Bermuda's obesity problem.

Bermuda's numbers in terms of obesity and overweight are concerning. These are just a few of the Ministry's findings:

- 3 out of 4 of Bermuda's residents are overweight or obese[1] and 50% of the population drinks at least one sugary drink a day, 34% have one or two and 16% have three or more.

- Being obese and overweight is more likely to lead to health complications such as diabetes and or 13 obesity-related cancers. The recent Health in Review report found that cancer is the second leading cause of mortality in Bermuda and accounts for 25% of all deaths. While lung cancer is the leading cause of death, it is followed by three types of cancer (colorectal, pancreatic and prostate cancer) which have been associated with unhealthy weight.[2]

- In addition, Bermuda's prevalence of diabetes is one of the highest amongst the Organization for Economic Co-Operation and Development (OECD) (34% of adults are obese and 12% have type 2 diabetes). The 2014 STEPS survey also found that 79% of men and 70% of women in Bermuda are overweight or obese, which is a leading factor in developing many problems including cancer and diabetes.

[1] STEPS SURVEY 2014

[2] Health in Review 2017, Ministry of Health, Government of Bermuda.

- Last year, the total health spending for individuals with diabetes was $77.8 million[3]; that is more than 10% of the country's total health spending.

The Ministry of Health plays a vital role in promoting healthy eating and active living and has developed and implemented a number of health initiatives throughout the island over the years and will continue these efforts. A Sugar Tax is a new approach for addressing the country's unhealthy weight as an important and urgent public health issue by raising awareness and starting the conversation about healthy eating, acting as a deterrent to purchasing sugary items, being a catalyst to creating a healthier local food environment, and financially supporting and enhancing health promotion and education for the community.

To ensure the Sugar Tax has the greatest effect, the Ministry of Health put the Sugar Tax proposals out for consultation. We are pleased with the number of responses received and provide the following report of the results for consideration.

[3] Source: Bermuda Health Council (2017) at http://www.bhec.bm/wp-content/uploads/2018/01/BHeC-RG-full-page-ad-for-Diabetes-Awareness-Insert.pdf.

The Sugar Tax

In developing the Sugar Tax the Ministry reviewed a number of jurisdictions which have implemented a tax. Based on this review, a number of parameters were determined by the Ministry and were not open to consultation. These items included:

- The Customs Department will implement and administer the tax.
- The tax will apply to both commercial and personal importers of the specific items identified.
- The tax will be applied as an increase of the rate of duty charged to the item. So, the uprated duty will be applied to the customs value of the imported item as normal.
- The tax will affect specific tariff codes that are already in the Bermuda Customs Tariff.

The Consultation Document then posed 13 questions (see Annex IV) asking for input on which items to tax, the level of taxation and views on whether the tax would make a difference. The Consultation Document also asked businesses or individuals to identify themselves. This report provides analysis of all 13 questions and any differences between business responses and individuals. The consultation proposed taxing the following items:

Table I: Description of proposed items

Item	Description
Sugars of Heading 1701	Sugar in solid forms, not syrups or other liquids. Includes brown sugar, white sugar, powdered sugar, and icing sugar.
Tariff 1704.909	Marshmallows, yogurt covered raisins, caramel candy, fondant, nougat, white chocolate. Other chocolate currently not being considered.
Tariff Code 2106.900	Dilutables, crystals/powders and flavoured sugar syrups. For example brands like KoolAid, Ribena, Coffee-Mate etc.
Heading 22.02	Sodas, energy drinks, fruit juices with added sugar, sweetened teas.

Review

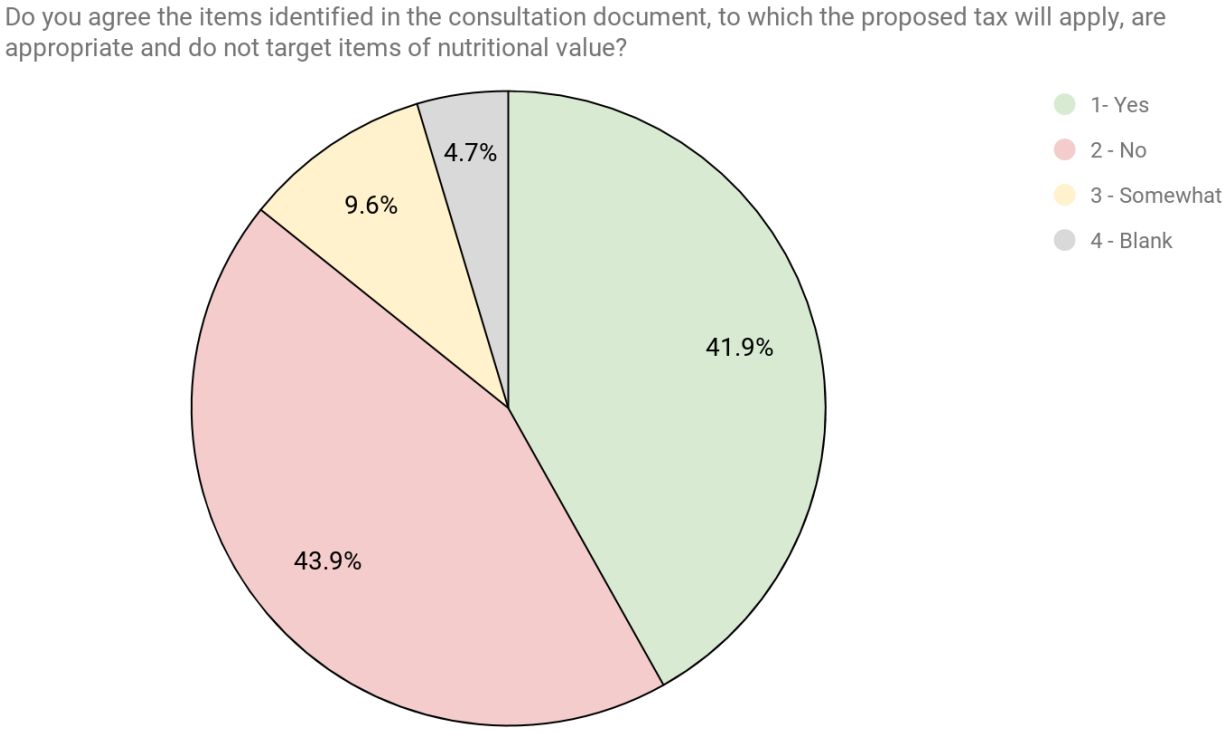
Question 1: Do you agree the items identified in the consultation document, to which the proposed tax will apply, are appropriate and do not target items of nutritional value?

Overall, 52%[4] of respondents supported taxing the items identified for the sugar tax.

Specifically, 42% were in complete agreement with the items identified in Table 1, and 10% supported the tax, but believed there should be additional items added or particular ones excluded. Some items that proposed for exclusion were: raw sugar, coffee mate, yogurt covered raisins and non-alcoholic beer.

With respect to raw sugar, 16% (57 of 345) of respondents did not believe it should be subject to the tax because of the impact on local businesses.

Overall, 44% were against the tax. Some of the reasons for opposing the tax included the fact there were other foods with sugar that were not part of the tax, concerns about Government regulating food and the inclusion of sports drinks which are used by athletes.



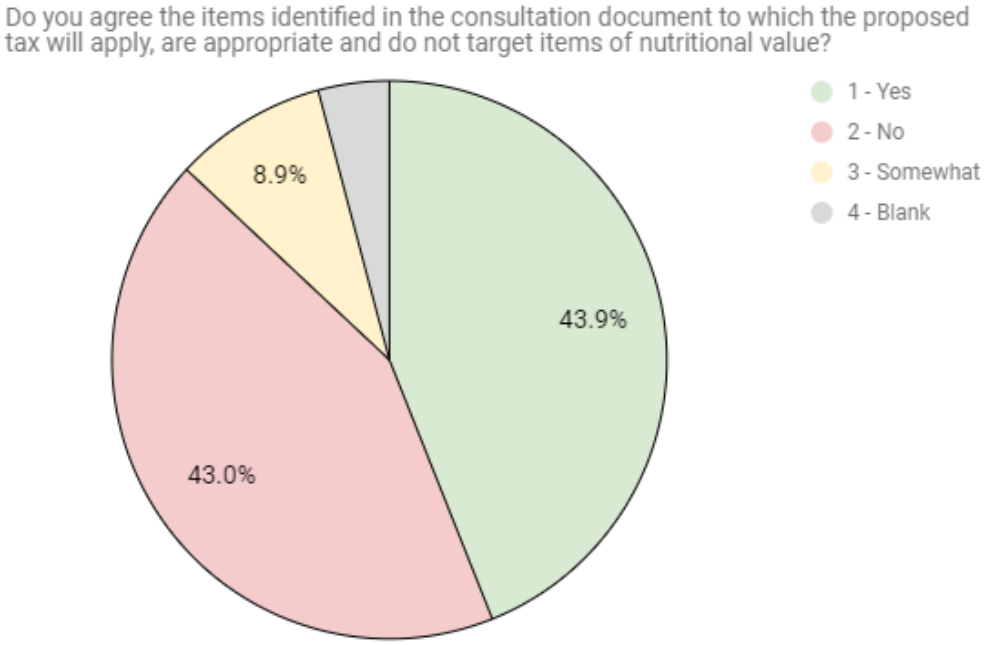
Individuals[5] who responded, supported the identified items (44.1%), while 43.1% did not support the items identified. This is strikingly different from those who responded as businesses. More

[4] The percent is the combination of Yes and Somewhat.

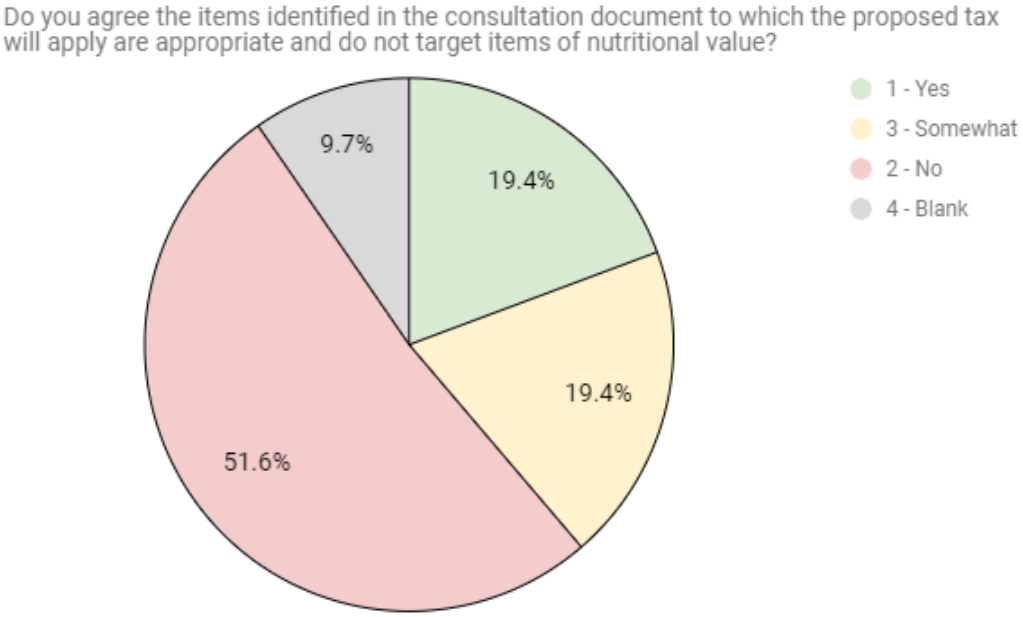
[5] Respondents to the Consultation Document could identify themselves as individuals or responding on behalf of a business.

businesses were against the proposed items (52%). Forty percent (40%) of the businesses responding felt that raw sugar should be excluded from the taxable items, while 16% of individuals responding wished to see raw sugar excluded. Other concerns raised by businesses was the inclusion of sports drinks, taxing diet drinks and the need to encourage a healthy lifestyle. Individuals supported expanding the items identified in the sugar tax and questioned why imported baked goods and salty items were not also being taxed.

Individual Responses:

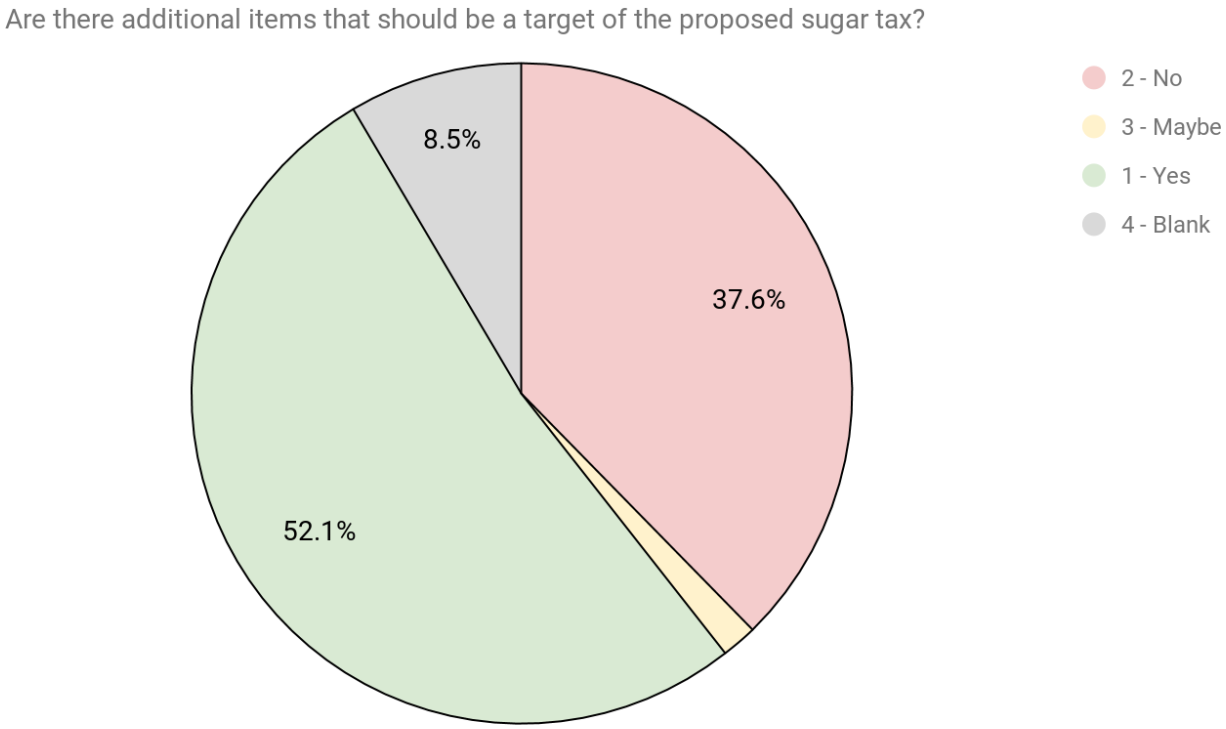


Business Responses:



Question 2: Are there additional items that should be a target of the proposed sugar tax?

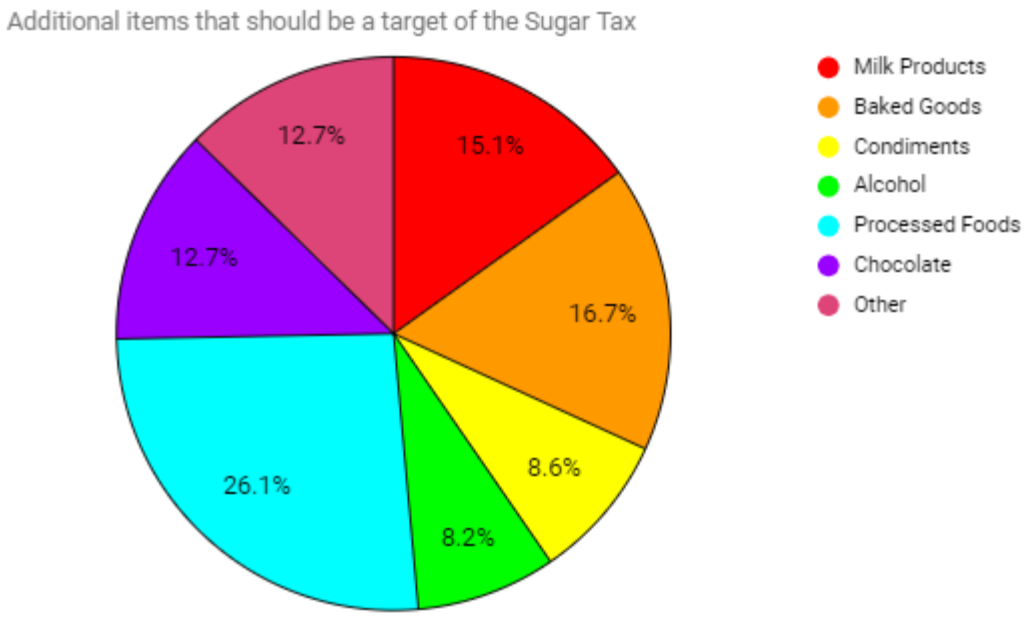
Overall, 52% of respondents supported adding items to be taxed.



The largest area identified to tax in addition to the proposed items was processed food (26%), followed by imported baked goods (17%) and milk products (15%) (see Chart below). The items categorized as processed food included[6]: cereals, potato chips, take-out foods, crackers, etc. The baked goods category did not include locally produced items, but referred to imported goods that include cookies, cakes, pastry, donuts and muffins. There were a number of suggestions and the wide variety of suggestions meant selecting a number of high-level categories and a fair number of items placed in other. The other category captured items such as: artificial sweeteners, diet sodas (which will already be targeted in the current tax), jello and popsicles.

The 37% who did not think additional items should be included varied in their reasons between supporting the items identified in Table 1 to not agreeing with the tax as a whole.

[6] These items were provided by the respondents and categorized by the Ministry of Health for analysis purposes.



The majority of both Businesses (58.1%) and Individuals (51.5%) felt that additional items should be the subject of the sugar tax. The largest item that the businesses thought should be included was milk products (22.5%), followed by condiments (17.5%). Individuals believed that the additional items that should be taxed were processed foods (28%), followed by baked goods (17.5%).

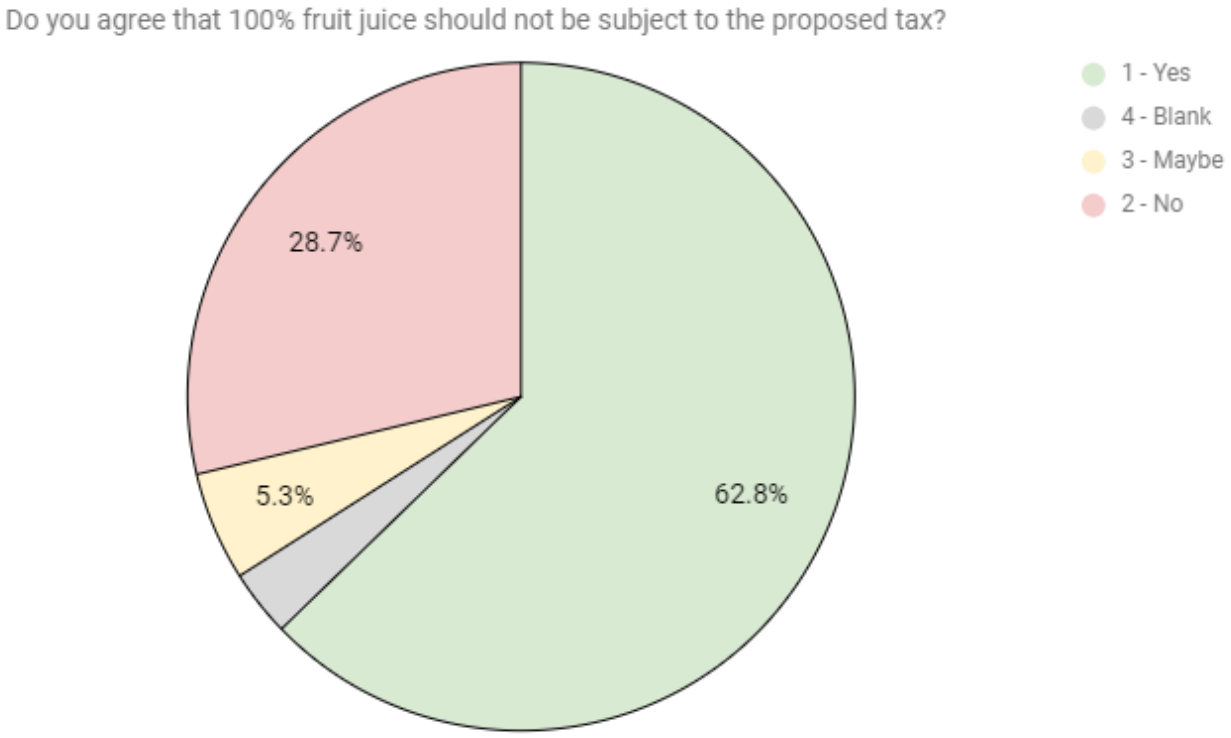
The message from these results is that there is a strong sense from both the business and the general public to not only tax the items currently proposed, but to consider expanding the tax. There were concerns raised about the inclusion of raw sugar (Question 1).

Some of the additional items proposed by the public could be challenging to tax, due to the current structure of the Customs Tariff. Processed food, for example, is not a tariff heading and will require extensive work on the tariff to be able to identify these items. The Ministry will consider all of the suggestions received and in context of our current resources and capabilities for taxation.

Question 3: Do you agree that 100% fruit juice should not be subject to the proposed tax?

In total, 63% of respondents stated fruit juices should not be subject to the sugar tax.

However, there were suggestions to re-evaluate at a later date. Many responded that fruit juices should be subject to better labelling as the sugar in fruit may be natural but is consumed at a high rate in juice that can lead to health concerns. The 29% who thought it should be taxed felt juice was consumed because it is "healthy" but is also very high in sugar.



Individuals and businesses both agreed that juices should not be taxed, though the individuals had a stronger response (64.6%) than the businesses (43.3%). Some of the reasons provided for not taxing fruit juice included the fact that there was some nutritional value in fruit juice, they are healthier than sodas and they contain natural sugars.

Question 4: What are your views on the treatment of dilutables (ie cordials),

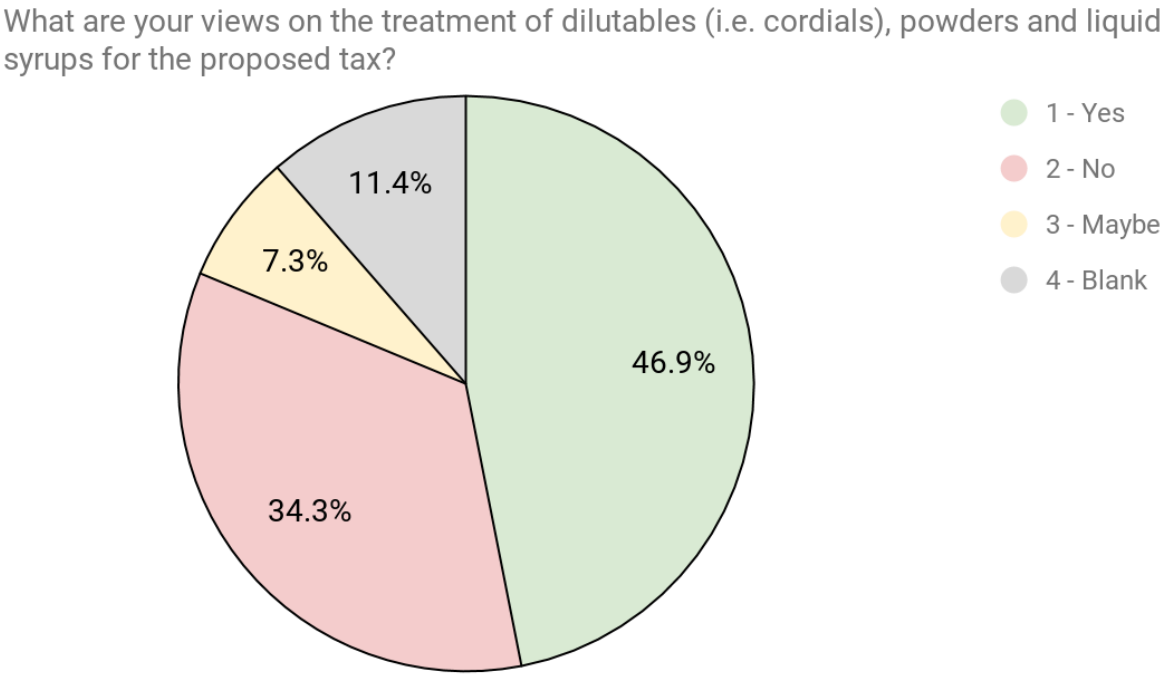
powders and liquid syrups for the proposed tax?

Overall, 47% of respondents agreed that the dilutables should be included in the sugar tax as they represented added sugars.

In total, 34% disagreed with taxing the dilutables, while 7% were unsure and 11% left the response blank.

Flavoured sugar syrups and crystals and powders used for preparing beverages are included in tariff 2106.900 which includes a significant number of "other" food preparations that are not proposed for sugar tax purposes. The Tariff will require the inclusion of wording to make this distinction.

Dilutables are slightly different products from sodas and juices as the person consuming them can adjust the concentration of the sugar.



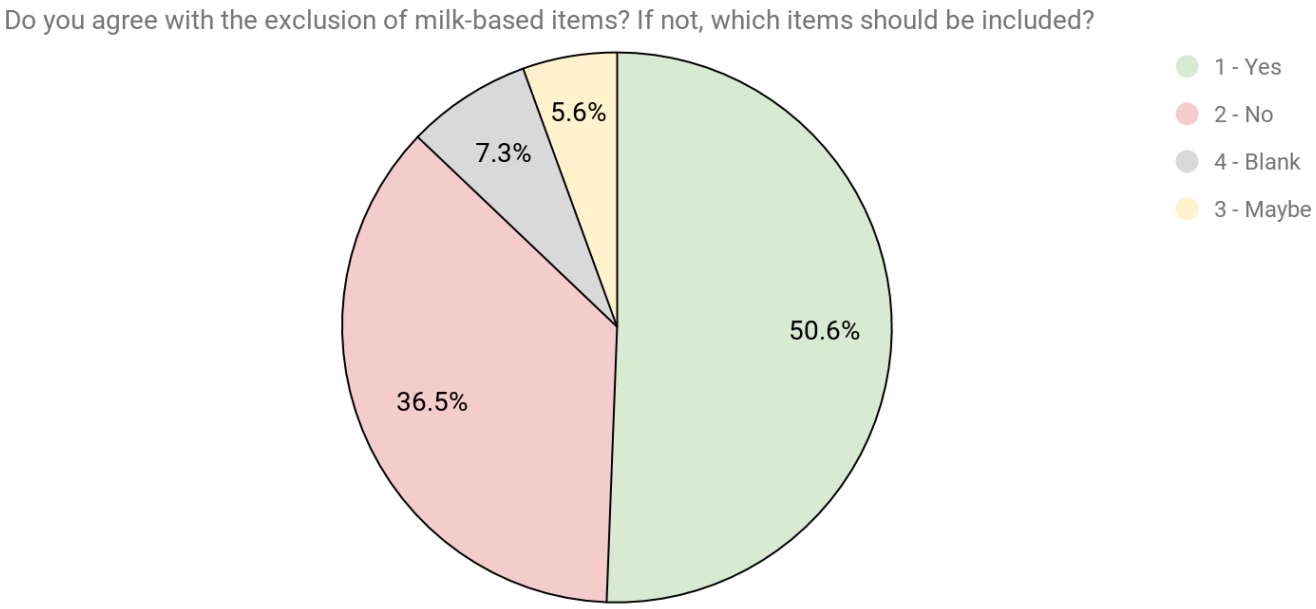
Businesses were largely against taxing the dilutables (46.7%). Some suggested the tax should be based on the level of sugar in the drinks and some were concerned this would affect businesses that sell sodas or even coffee shops with flavoured syrups. The individual respondents, however, were supportive of including dilutables in the tax (48.7%) and only 33% were against including dilutables. Supportive comments for taxing dilutables included: they are sugar and therefore should be taxed, they added no nutritional value and people drink too many of them.

Question 5: Do you agree with the exclusion of milk-based items? If not,

which items should be included?

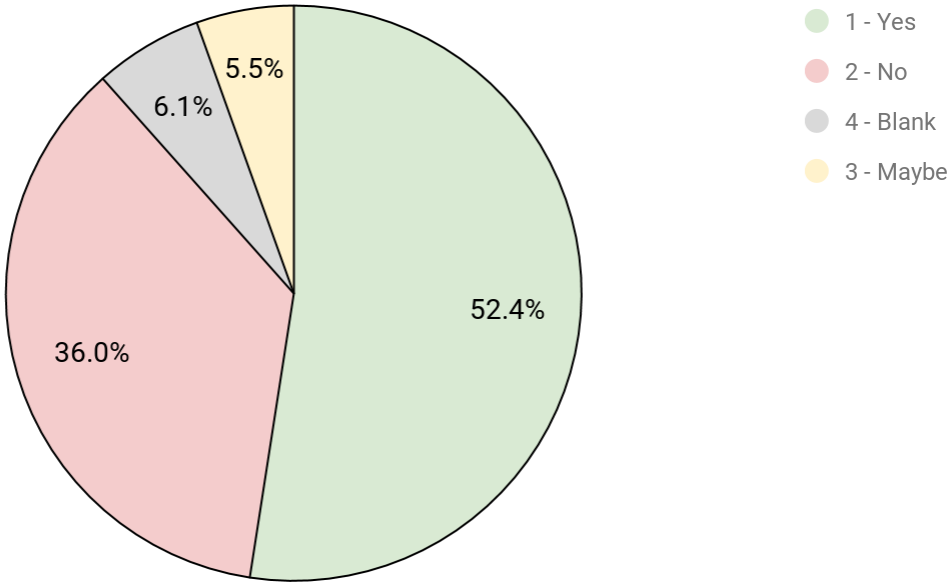
Half, or 51%, of respondents agreed that milk-based products should be excluded from the tax. 53% of individuals thought milk-based items should be excluded, while only 32% of businesses believed they should be excluded. The majority of the business responses (42%) believed milk-based items should be taxed.

Those against taxing milk-based items provided the following reasons: it is staple, low calcium consumption is a public health concern and milk has nutritional value. Many would like, however, for sugar-added milk items to be included as a next step. Overall, 37% thought milk-based items should be taxed, while 6% were unsure and 7% left the question blank. In particular those who thought milk-based items should be taxed suggested the following items: chocolate milk, frappuccinos and other sugar-sweetened milk-based items. Future work to differentiate between milk and sugar-added milk items was identified repeatedly as an area to develop.



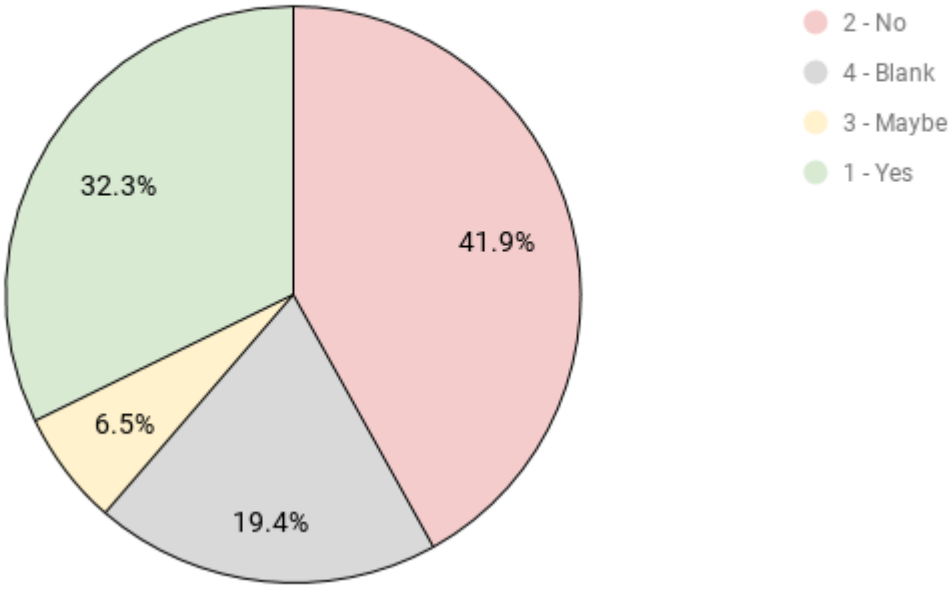
Individual Responses:

Do you agree with the exclusion of milk-based items? If not, which items should be included?



Business Responses:

Do you agree with the exclusion of milk-based items? If not, which items should be included?



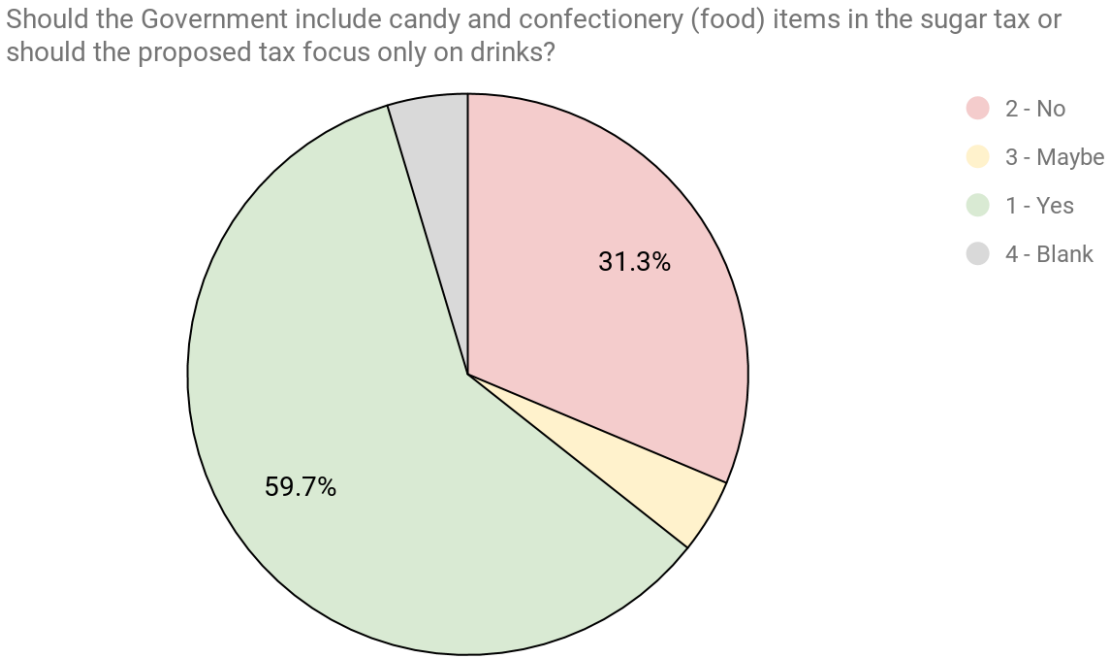
Question 6: Should the Government include candy and confectionery (food) items in the sugar tax or should the proposed tax focus only on drinks?

Approximately 60% of respondents agreed that candy and confectionery should be subject to the Sugar Tax. Individuals were overwhelmingly more in support of the tax on candy than businesses 62% vs. 39% respectively.

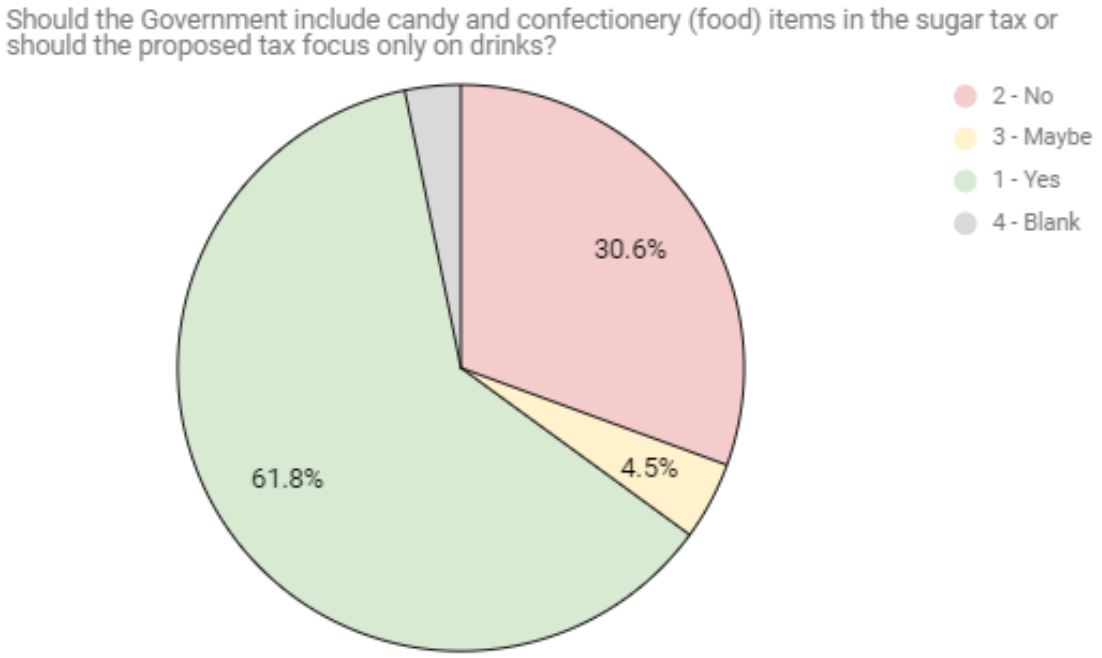
Overall, 31% of respondents did not believe candy and confectionery should be taxed, 4% were unsure and 5% left the question blank. Those who supported the tax on candy gave the following rational: the candy provides no nutritional value, they are high in sugar and the sugar content could also lead to health concerns (e.g. tooth decay).

For both businesses and individuals not in support of taxing candy, many suggested the tax was overreaching and should only focus on drinks at this time.

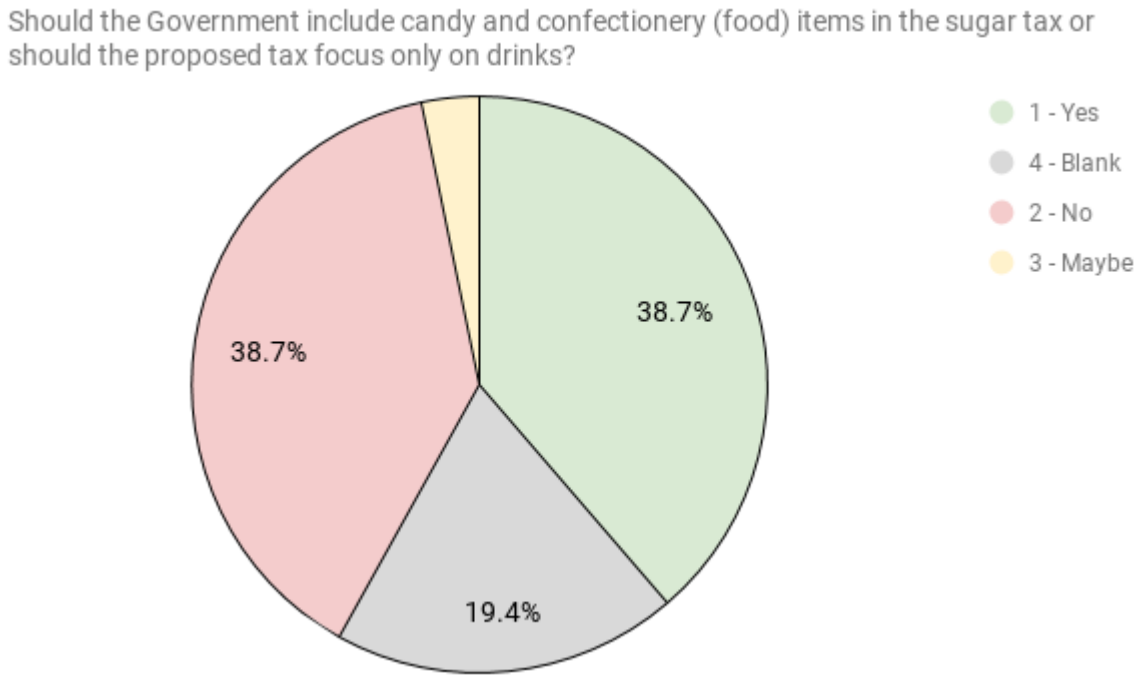
Candy and confectionery is included in tariff 1704.909 and includes gummy candies, marshmallows and other candy.



Individuals Responses:



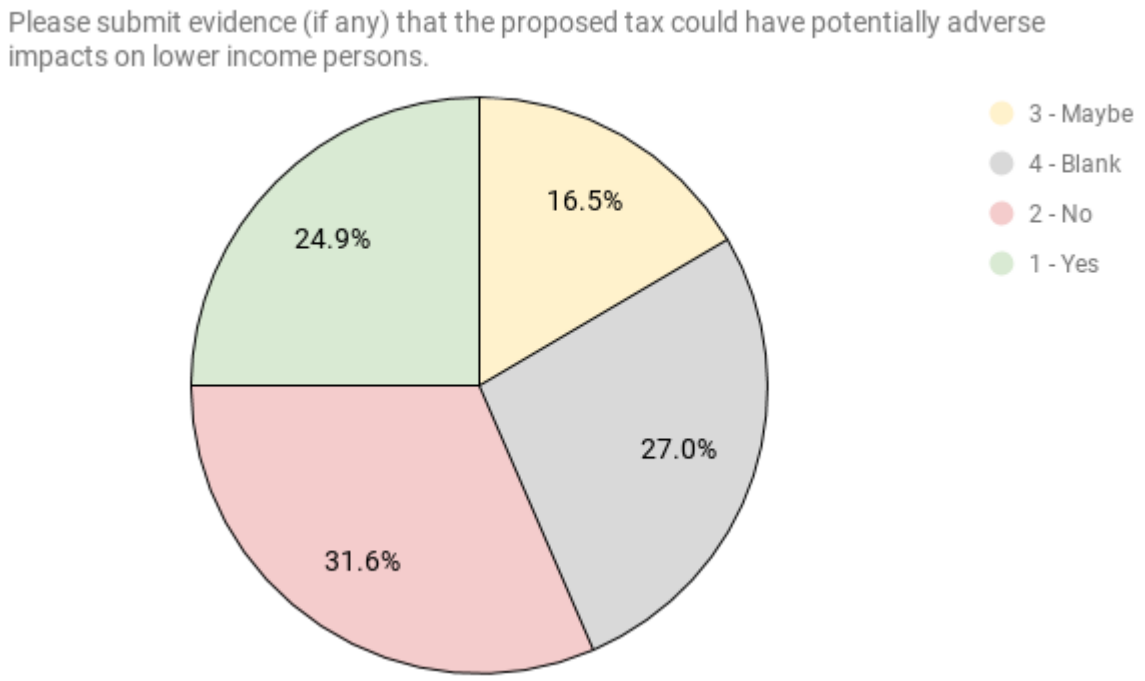
Business Responses:



Question 7: Respondents are invited to submit any evidence that the tax could have potentially adverse impacts on lower income persons.

More respondents (32%) did not think that low income persons would be adversely affected by the sugar tax. Both businesses (39%) and individuals (31%) did not think the tax would not have adverse impacts on low income persons.

The majority of respondents thought it would not cause adverse effects on low income persons, with most suggested lowering the tax on healthy foods, excluding raw sugar from the proposed tax and education as ways to manage the potential for adverse effects.



Some respondents worried that the tax may lead to job loss and another warned that the tax would be less effective if retailers redistribute the sugar import tax across other non-target foods in order to keep retail prices of the targeted items relatively unchanged.

A study by the Deakin University Global Obesity Centre[7] and a study published in the Lancet medical journal[8] found that a sugar tax would not unfairly punish disadvantaged groups. The study found lower income persons were more price sensitive so were more likely to stop buying soft drinks when prices raised. The same group was purchasing more of the sodas and therefore there was a greater chances at making a change to their consumption and therefore healthier lives.

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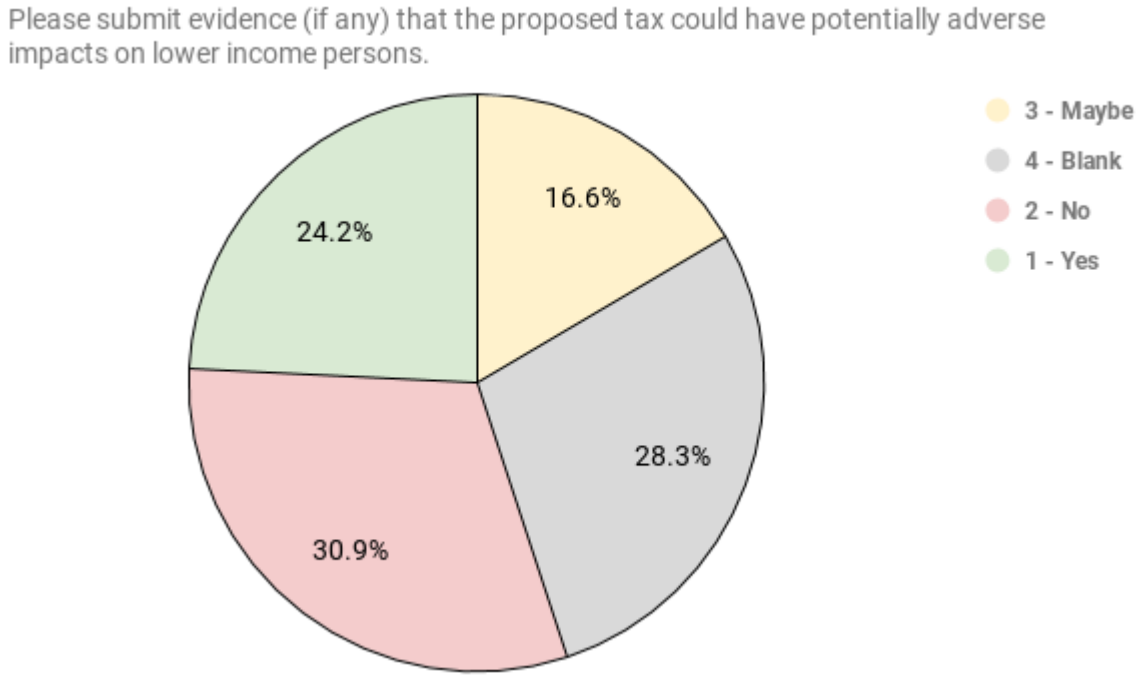
[7] Study shows sugar tax would benefit low income groups. Media Release: Deakin University Global Obesity Centre, 28 June 2017. http://www.deakin.edu.au/about-deakin/media-releases/articles/study-shows-sugar-tax-would-benefit-low-income-groups Last accessed 21st March 2018

[8] Equity impacts of price policies to promote healthy behaviours, 4 April 2018. http://www.thelancet.com/journals/lancet/article/PIIS0140-6736(18)30531-2/fulltext?code=lancet-site&__hstc=140923309.a283684c4e89e796f2c250fe2c2dab49.1524161534287.1524161534287.1524161534287.1&__hssc=140923309.3.1524161534287&__hsfp=1411137134 Last Accessed: 19th April 2018

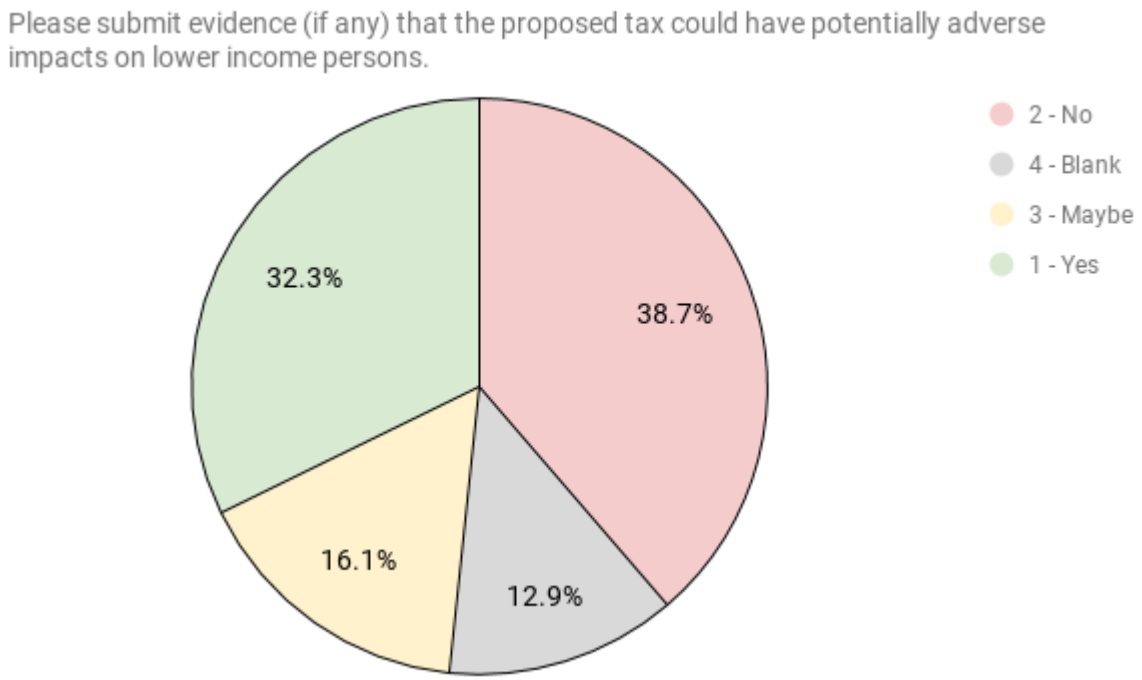
In the STEPS to a Well Bermuda Survey 2014, the results found that nearly half (49.6%) of the respondents reported having at least one sugary drink per day.[9] According to the Health Disparities Report 2013 by the Bermuda Health Council, households with lower income (less than 60k) spent more of their income on healthcare than higher income households (60k+).[10] If the sugar tax is a barrier to purchasing and consumption of excess calories as added sugar, and is used to promote and educate the public, it could foster equity.

Individual Responses:



[9] Ministry of Health, Seniors and Environment (2016) Steps to a Well Bermuda 2014. Government of Bermuda: https://www.gov.bm/sites/default/files/steps_to_a_well_bermuda_2014_0_2.pdf Last accessed 21st March 2018.
[10] Bermuda Health Council (2013) Health Disparities Report 2013. Bermuda Health Council: Bermuda. https://www.gov.bm/sites/default/files/Health-Disparities-Report-2013-Final1.pdf Last accessed 21st March 2018

Business Responses:



Question 8 and 9 combined: Would 75% tax or 150% tax be the appropriate tax level for the Sugar Tax?

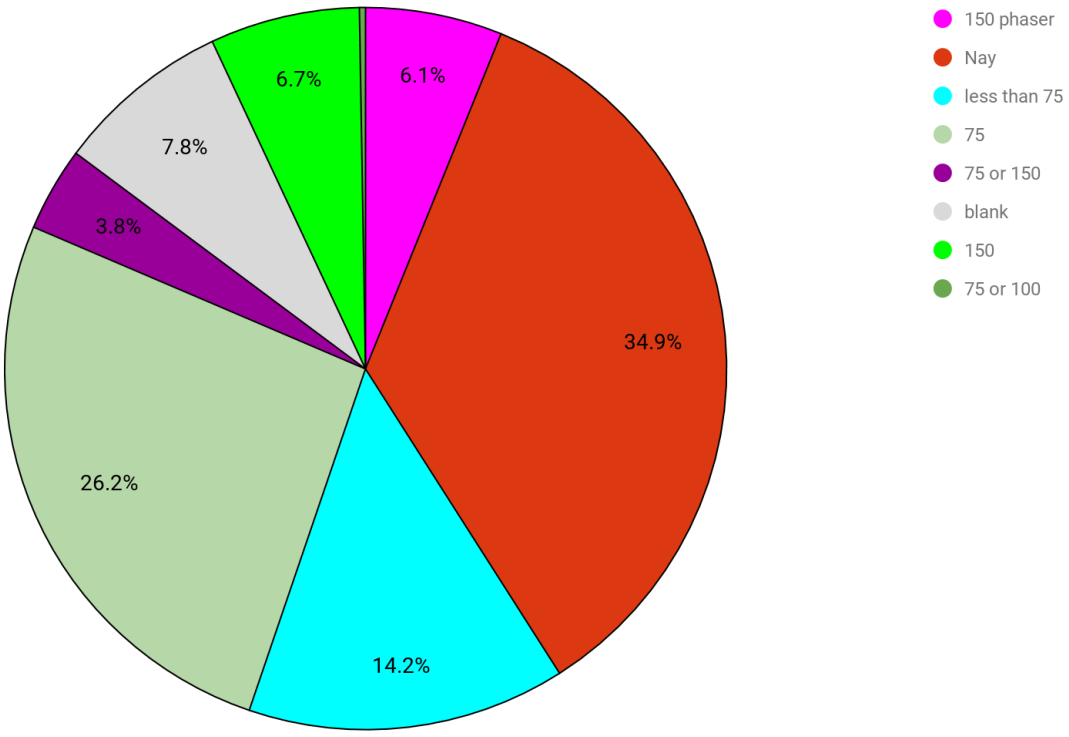
In questions 8 and 9, the Ministry of Health asked the public to indicate which level of tax would be appropriate - 75% or 150%. There was a variety of responses between the two questions, which is why they were combined in our review of the feedback.

Many persons agreed with both 75 and 150 or even proposed new levels of taxation (e.g. 100%).

Overall, a greater proportion of respondents, 43%, agreed the sugar tax rate should be 75% or higher.

Further, 6% of respondents said that 150% should be used if 75% does not work as a deterrent.

Overall, 35% did not agree with taxation at all and 14% thought it should be less than 75%.



Question 10: Assuming the importer will pass on the additional cost to the customer, will the increases in cost change the public's behaviour?

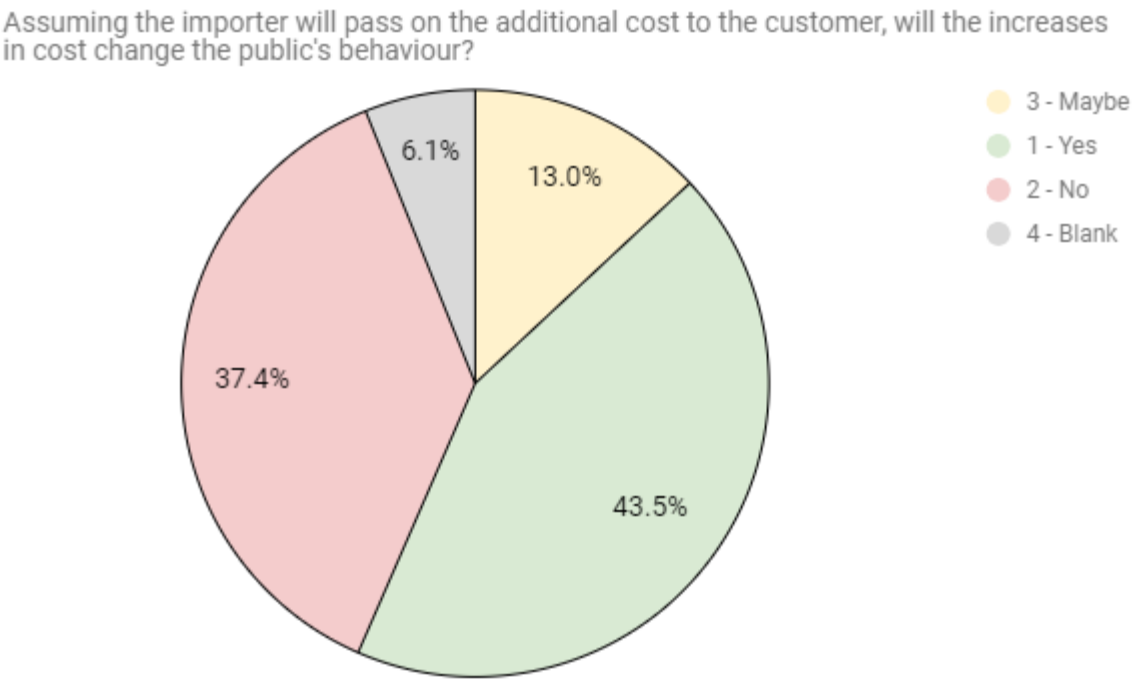
The majority of respondents (44%) agreed that passing of taxes to the consumer would change the consumers' behaviours. Businesses (39%) and individuals (44%) were in agreement that the cost would be passed on to customers.

Respondents agreed that higher prices to import goods would be passed on to the customer and some worried that if tax was lowered on other items (e.g. vegetables and fruits) that would not be passed on to the customer. Those who disagreed that the tax would change behaviour (37%), referenced the increased prices on cigarettes and alcohol and how those higher prices have not made a difference in consumption.

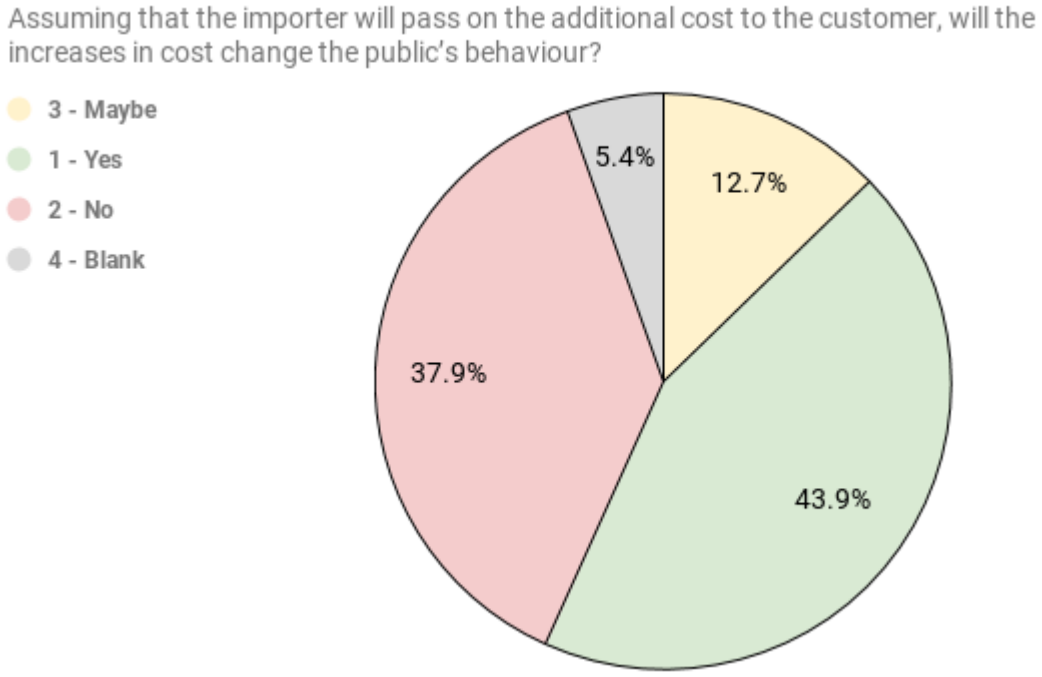
While we do not have local studies to show if increases on alcohol or cigarettes caused a decrease in consumption, Bermuda has one of the lowest daily smoking rates in the Organisation for Economic Co-operation and Development (OECD). The low rate is likely supported by a variety of policies to reduce tobacco consumption, public awareness campaigns, advertising bans and increased taxation.[11]

The proposed sugar tax is only one area the government is currently seeking a change to affect behaviours. The Ministry of Health will continue the various initiatives to educate the public and the funds raised from the tax will go towards supporting and expanding these efforts (see Annex V).

[11] Ministry of Health (2017), Health in Review 2017: An International Comparative Analysis of Bermuda Health System Indicators, 2nd Edition. Ministry of Health: Bermuda. P. 75: https://www.gov.bm/sites/default/files/Health%20in%20Review%202017%20%2C%20%202nd%20Edition_0.pdf Accessed 21 March 2018

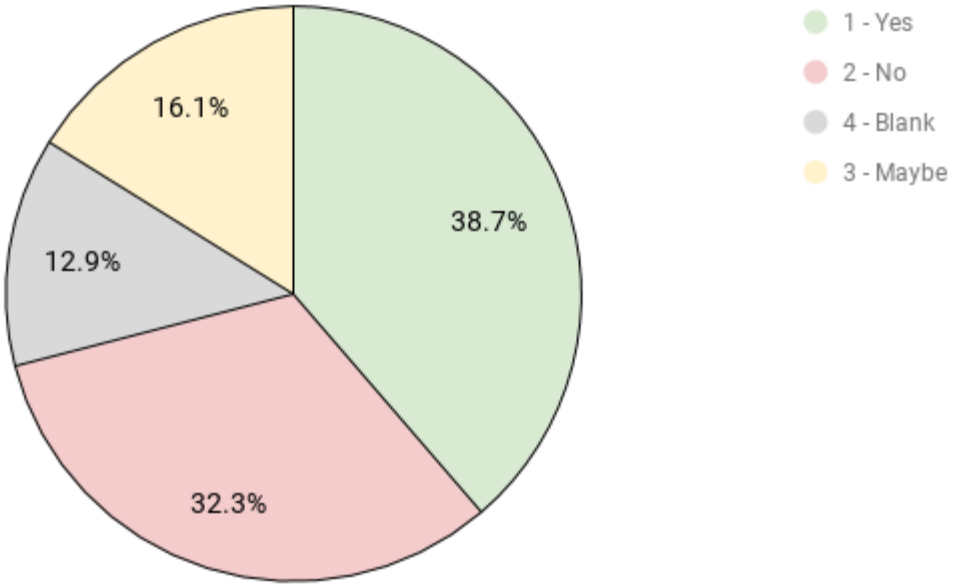


Individual Responses:



Business Responses:

Assuming that the importer will pass on the additional cost to the customer, will the increases in cost change the public's behaviour?



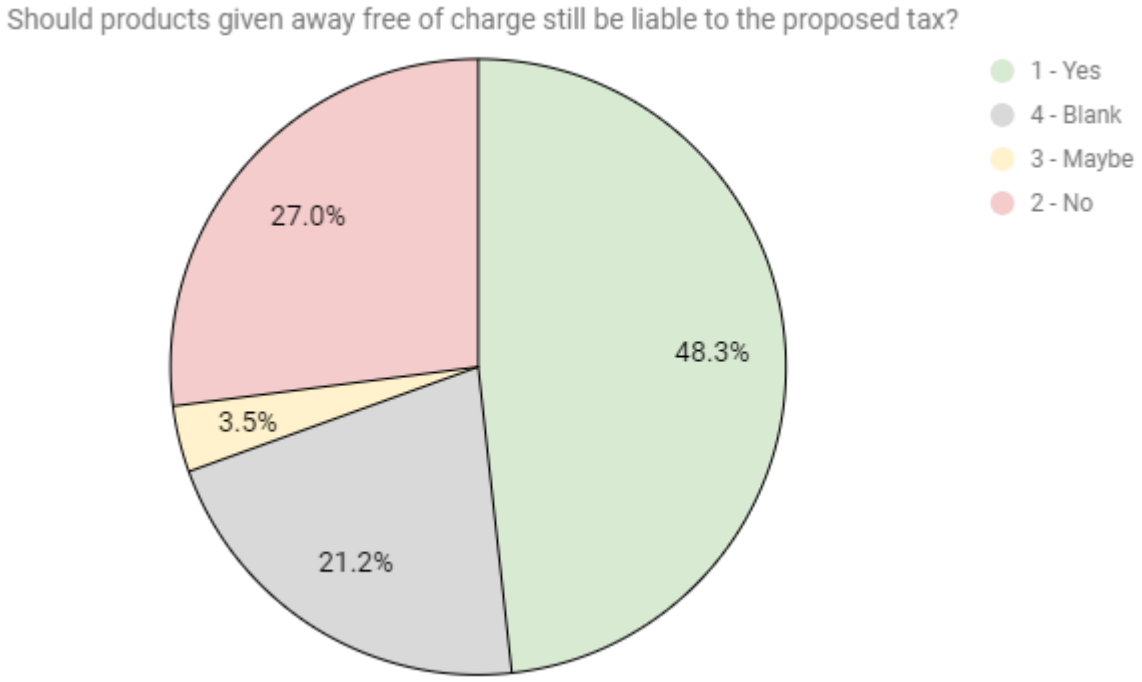
Question 11: Should products which are given away free of charge, still be liable to the proposed tax? If not, please provide examples of where relief may be appropriate and why.

The majority of respondents (48%) agreed that products given away free of charge should be liable to tax. Businesses (43%) and individuals (49%) were in agreement.

The respondents who were not in favor of free items being liable to tax were 27%, those unsure were 4% and 21% left the question blank. Those who supported taxing free items gave the following rational: this will encourage healthier giveaways, purchased or free the sugar content does not change, and samples are aimed to get people to purchase the products.

Individuals who disagreed with taxing free items believe that free items should be completely free, and some were concerned about charities being adversely affected.

A third of businesses (33%) were in opposition of products given away for free of charge being liable to the proposed tax, while 43% agreed and 23% did not answer the question.



Individual Responses:

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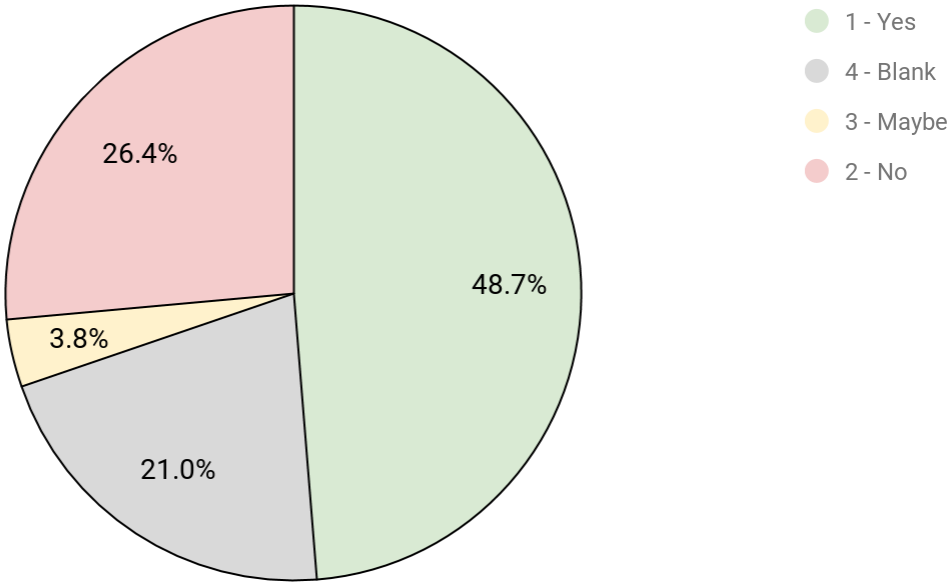

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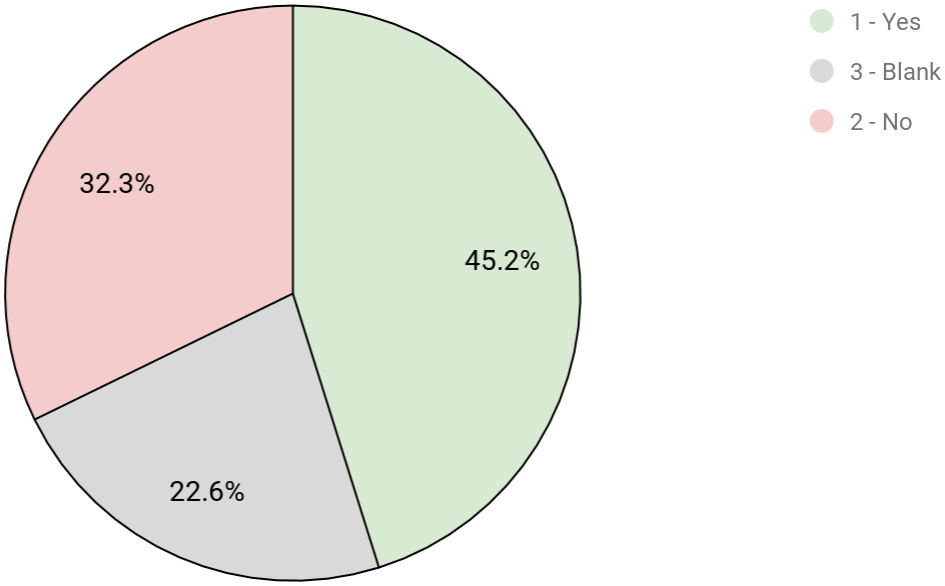
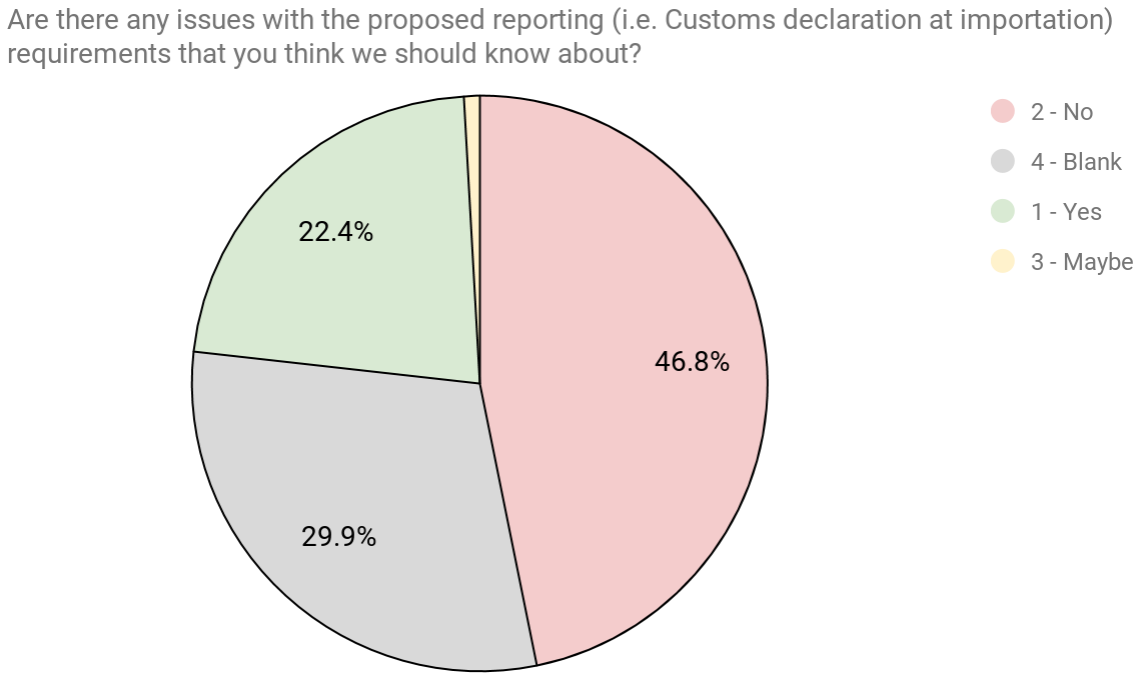


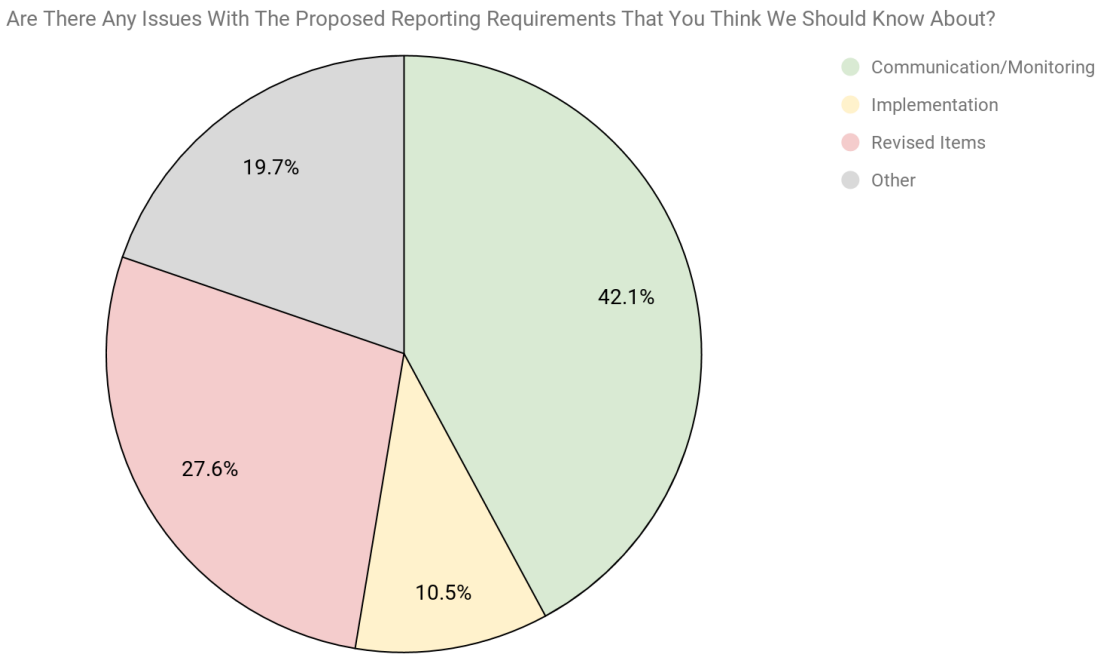
Question 12: Are there any issues with the proposed reporting (i.e. Customs

declaration at importation) requirements that you think we should know about?

Most respondents (47%) agreed with the proposed reporting requirements. Respondents who were concerned about the proposed reporting requirements (22%) had their comments categorized into four areas that included: communication/monitoring, implementation, revised items, and other. 30% of respondents did not answer the question.

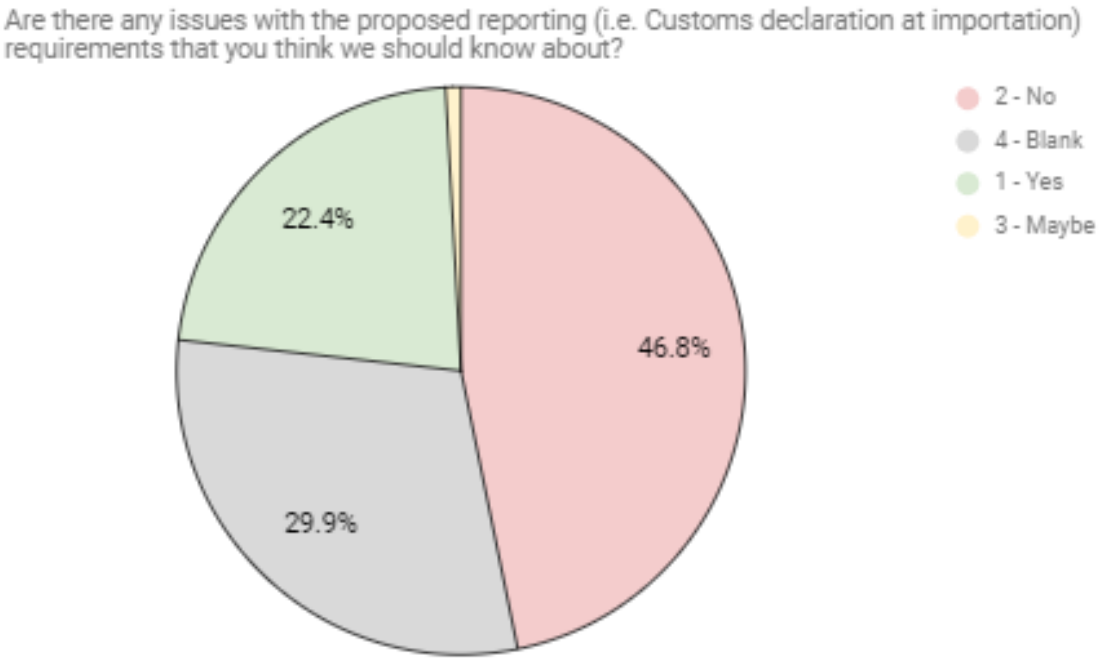
Issues reported in the "communication/monitoring" category included: clarity on rules/guidelines for customs and public, a graduated approach to tax, policing customs officers to ensure rules are followed, and ensuring businesses are being truthful to customs. Issues submitted in the "implementation" category were: declaration forms need to be updated, and more resources for customs officers needed. Increased research needed and nutritionists' input were suggested for the "revised items" category. The other category included responses identifying issues such as: single use plastic, black market sale, funds allocation and church exemption.

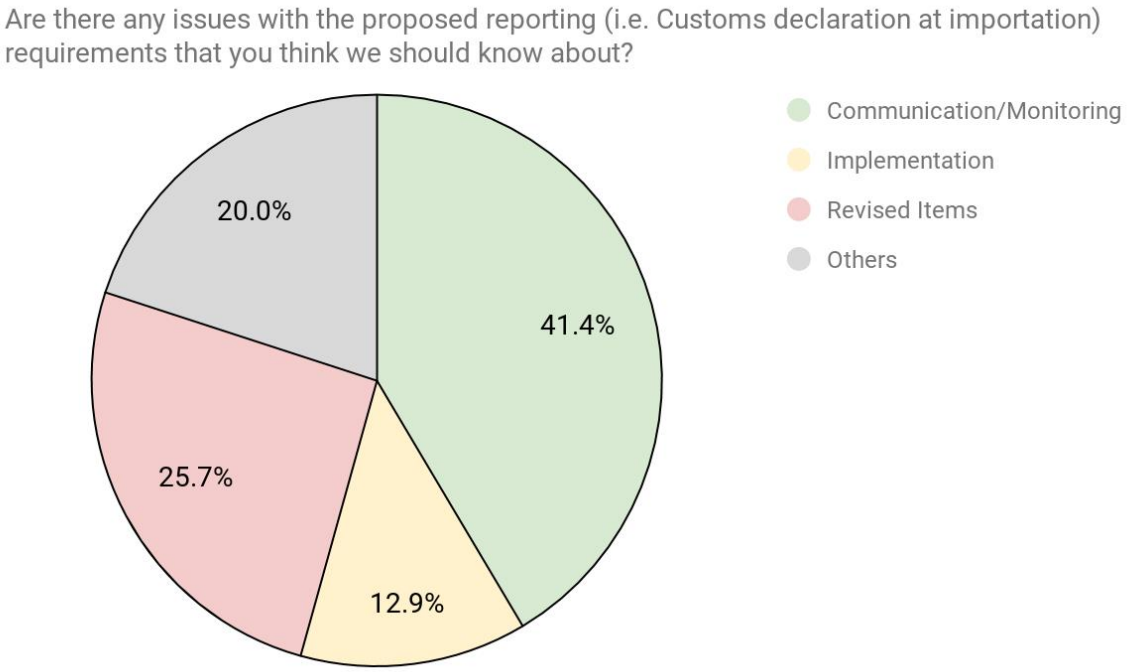




Those individuals (23%) and businesses (19%) who agreed there were issues with the reporting requirements, gave the following rational: there needs to be clarity and policing of rules, declaration forms need to be revamped, nutritionists' input suggested, and proper education needed for customs officers. Communication/monitoring was the main concern of individuals and businesses alike.

Individual Responses:



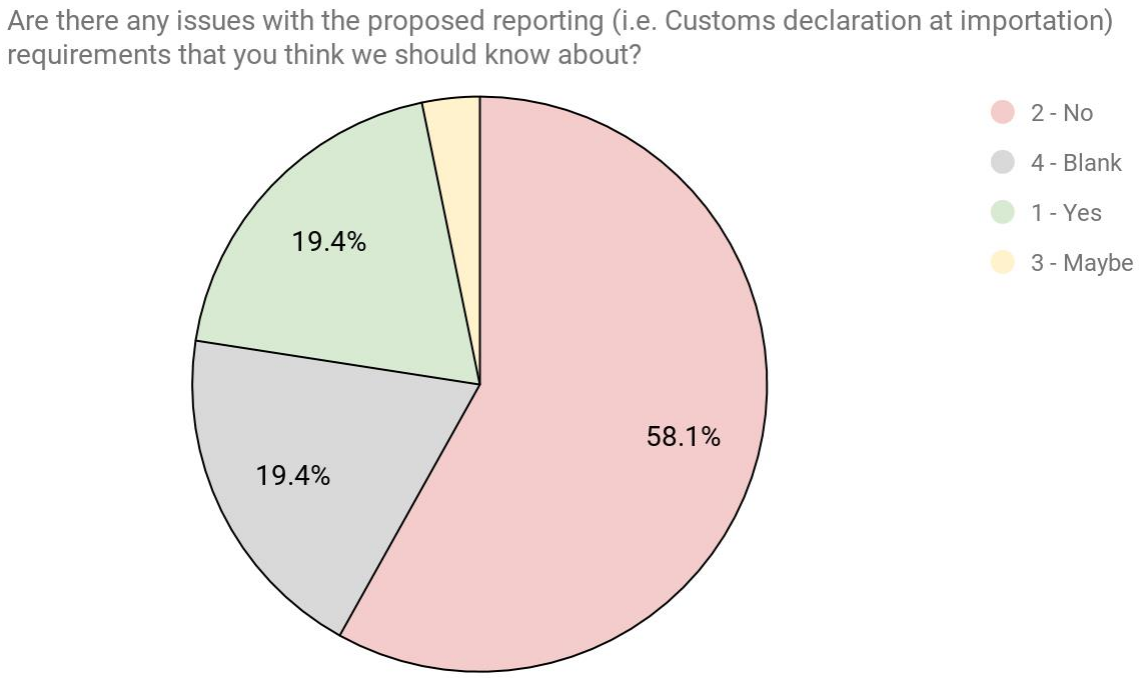


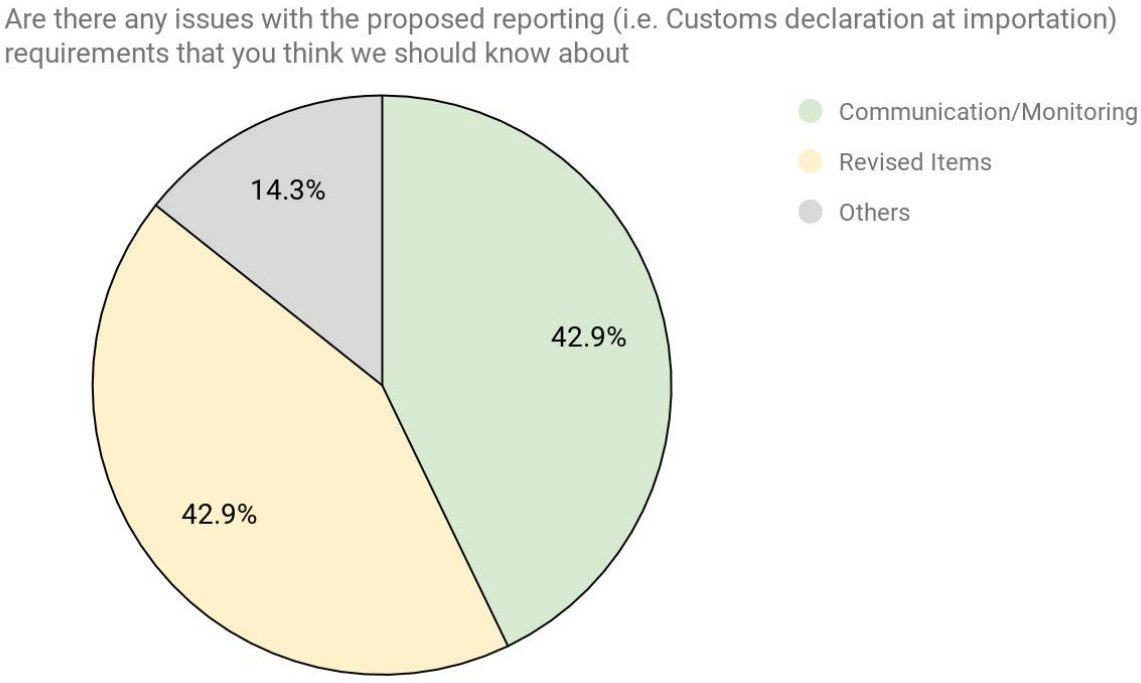
The majority of individuals (47%) did not believe there were any issues with the proposed reporting requirements and 30% of individuals left the question blank.

In the category of Communication/Monitoring (41%), most responses identified concerns with importation rules, the actions/attitudes of importers, and honesty of importers. In the Revised Items category (26%), the respondents were calling for more research on types of sugars, nutritionists' insight, and a graduated approach to the proposed tax. Those reporting issues in the

implementation (13%) wanted: to see a flat duty rate at the airport, a comprehensive list of taxed items, customs officials to be familiar with label reading, and an easier declaration system. Other concerns individuals had (20%) were single use plastic, sudden black market sales of sugar ladened products, locals buying in bulk and hiding it at the border, allocation of the funds, the declaration process being time consuming, and unfairly targeting churches.

Business Responses:



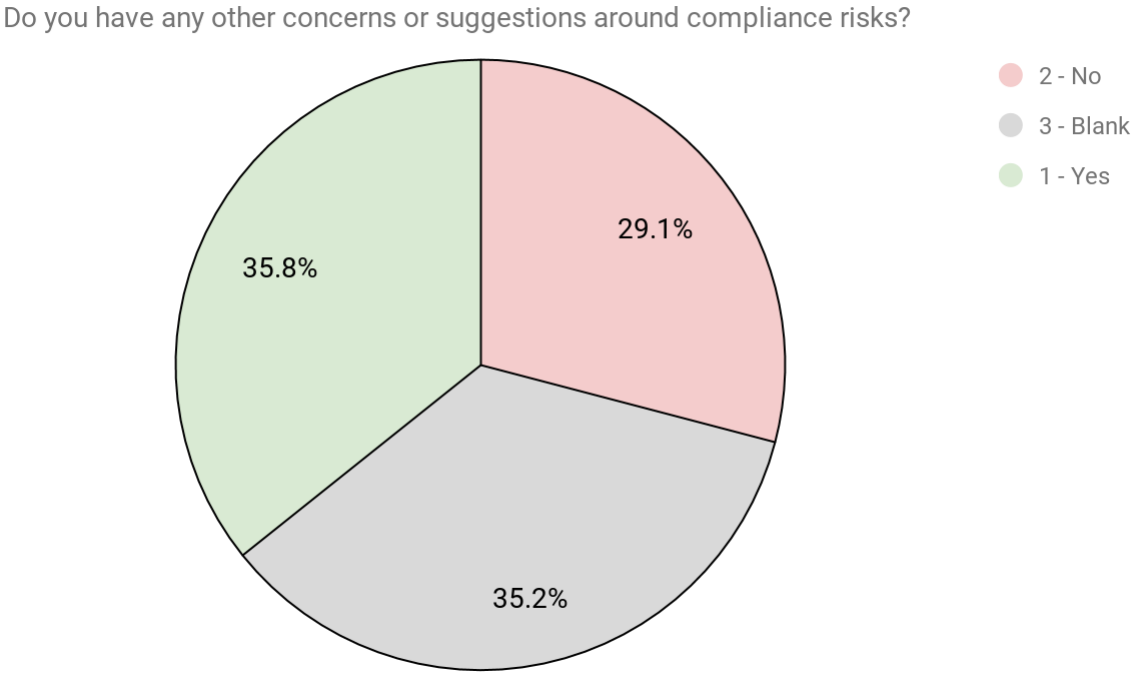


58% of businesses did not believe there were any issues with the proposed reporting requirements. The 19% of businesses who expressed concern, were sorted into the same four categories: communication/monitoring, implementation, revised items, and other.

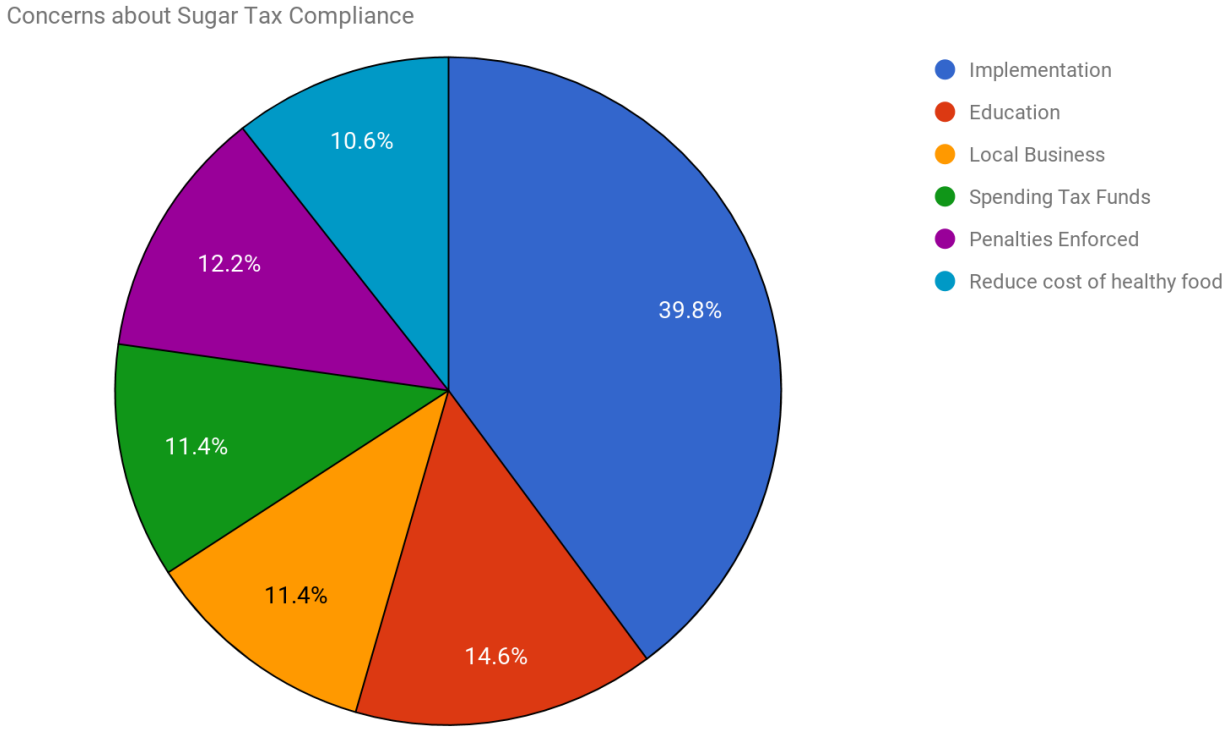
Businesses suggesting issues with communication/monitoring (43%) were most concerned with how descriptive customs declaration would be. Businesses reporting issues with Revised Items (43%), called for a graduated approach to tax, and are curious to know why sugar free items are not targeted. The other category (14%), included concerns about whether churches would be exempt.

Question 13: Do you have any other concerns or suggestions around compliance risks?

The majority of respondents (36%) shared their concerns and suggestions around compliance risks of the proposed sugar tax. The concerns or suggestions submitted were broken down into six categories: implementation, education, local business, spending tax funds, penalties enforced, and reduce the cost of healthy food.



Those who agreed there are compliance risks (123 respondents), 40% were concerned about implementation, 15% about education (i.e. need to educate persons on how to eat healthier), 11% effect on local businesses, 11% about how the tax funds will be spent, 12.2% on how the penalties will be enforced and 11% requested/suggested that healthy food prices be reduced (See Chart below).



Individuals who responded, 35% did not have any concerns or suggestions around compliance risks. 29% had concerns and 36% left the question blank. Businesses who responded, 36% did have concerns. 32% of respondents did not have any concerns and 32% left the question blank.

Individual Responses:

Business Responses:

Overall, respondents (individuals and businesses) to question 13 were more concerned with the implementation. Individuals were least concerned with healthy food costs and local businesses.

Businesses were least concerned about education, tax funds, and the penalties enforced.

Summary of Findings

The consultation found:

1. There was more support for a sugar tax as proposed than opposition; 42% in favour 10% somewhat in favour and 44% against the items proposed.
2. 100% fruit juice should not be included at this time (63% agreed and 29% disagreed).
3. Milk-based items should not be included at this time (51% agreed and 37% disagreed)
4. Dilutables should be taxed (47% agreed and 38% opposed).
5. Candy should be taxed (60% agreed and 31% opposed).
6. 25% believe that low income persons would be adversely affected by the sugar tax (32% oppose).
7. 43% in favour of a 75% duty rate or more, 14% lesser rate of tax and 35% opposed.
8. 44% agreed passing of taxes would change the consumers' behaviours; 39% of businesses and 44% of individuals agree.
9. 48.3% agreed that products given free of charge should be liable to tax (27% opposed).
10. Individuals (45.7%) and businesses (58.1%) did not believe there were any issues with the proposed reporting requirements.
11. The concerns and suggestions around compliance risks of the proposed sugar tax were based mostly on implementation (40%), and education (15%). 30% of participants did not have any concerns. Both individuals and businesses were more concerned about implementation of the proposed Sugar Tax.
12. The public would like more nuance in the customs tariff to ensure the proper items are targeted.

Conclusions

- The tax will be implemented as 75% import duty on the items under the tariff codes listed in Table 1
- The tax will be introduced in phases. In the first phase the tax will be applied to specific tariff codes that do not need to be subdivided into national codes.
- In subsequent phases the tax will be introduced by means of new national tariff codes created under existing tariff codes.
- From April 2018, some imported fruit and vegetables will have duty reductions.
- The tax will apply from June 2018.

Annex I - Written Submissions

https://goo.gl/TE8y1U

Annex II - Data Table from Web Submissions

https://goo.gl/Hkhdsp

Annex III - Importers Meeting Minutes

Sugar Tax Consultation Interim Report – Importers Meeting

Meeting Date:	March 27, 2018	Time:	4:00pm – 5:15pm
Location:	BPSU	Note Taker:	Richaé Smith
Meeting Called By:	David Kendell, Director of Health		
Attendees:	Dunkley's, Barritts, Goslings, Crow Lane Bakery, Sweet Sack, Ashley's Lemonade, BDA Rum Cake, Juice & Beans, Crawl Hill Esso, AC Brewer, Treats, R M Roberts, HI Group of Companies, Sugar Shack		
Absent:	Julia Darzi, Renay Arorash		
Topics	**Key Discussion Points and Decisions**		
1. Welcome and Introductions	Attendees were thanked all for responses and careful and through submissions. Attendees stated their name and a brief introduction.		
2. Discussion of interim report on the consultation	• Attendees requested greater clarity on the breakdown of the respondents: how many were written responses vs. online responses, business vs individuals. • Summary statement in interim report was challenged i.e. "more support for a sugar tax than opposition", however Q1 was asking if respondents supported the products identified in the proposed sugar tax. • Attendees asked to make all written entries available online. • Because the proposed tax is based on existing customs tariff codes, to ease implementation without additional oversight resources and using existing processes to administer the tax (i.e. NOT point of sale); candy, sweetened beverages, syrups and raw sugar were suggested at consultation NOT fruit juices, dairy items, chocolate. Rationale was questioned by attendees for not including chocolates and cookie e.g. Oreos - NB These codes may not be well understood by all importers (e.g. which Tariff code does a snickers bar go under) – though some are expert in the tariff headings that their businesses use. • The question was raised if sugar-added or sugar sweetened beverages could be taxed first. • Significant concern expressed about taxing raw sugar and the potential impact to local businesses - concern for loss of jobs and impact on (soda) prices for tourists. It would seem that products such as fudge (almost 100% sugar) will be impacted and items with lots of icing /		

	sugar filling. Items like bread will be less impacted as sugar is proportionally a minor ingredient. ● Attendees were disappointed there was not a representative from the Finance Ministry present and hoped implementation could be postponed until after they spoke with Finance. ● Attendees asked why the tax proposed is 75% when PAHO's recommendation is 20 to 50%? Because the PAHO recommendation is on the retail price point – not on the importation duty. The duty was proposed as a luxury tax and Customs is conservative on the number of duty rates that they create. ● Clarity on the implementation timeline was requested, tentative date is June 2018. One opinion was that implementation was being rushed. ● Next step, Ministry of Health to issue full Sugar Tax Consultation report. ● There was discussion on the need for monitoring to track the shift in buying patterns (if any) and to monitor whether substations were beneficial or not. ● Attendees wanted to see more public health education and promotion of healthy eating and assurance of the amount or portion of the sugar tax that would be used for this. ● Some businesses felt as if they are being disproportionately targeted for the health of Bermuda, especially if they were small without diverse product lines. They felt as if they would be hit the hardest by the tax, wanting assurance that there were no hidden agendas for the tax.

Annex IV - Consultation Questions

Q1 – Do respondents agree the items identified to which the tax will apply are appropriate and do not target items of nutritional value?

Q2 – Are there additional items that should be a target of the sugar tax?

Q3 – Do you agree that 100% fruit juice should not be subject to the tax?

Q4 – Respondents are asked for their views on the treatment of dilutables, powders and liquid syrups for the tax.

Q5 – Do respondents agree with the exclusion of milk-based items? If not, which items should we include?

Q6 – Should the Government include these "food" items in the sugar tax or should we focus only on drinks?

Q7 - Respondents are invited to submit any evidence that the tax could have potentially adverse impacts on lower income persons.

Q8 - The Government would like for respondents to consider the 75% duty rate and whether this would be adequate for the first stage of the tax implementation.

Q9 - If 75% is not considered adequate, should 150% duty rate on these items be considered?

Q10 - Assuming that the importer will pass-on the additional cost to the customer, will the increases in cost change the public's behaviour?

Q11 – Do respondents agree products which are given away free of charge should still be liable to the tax? If not, please provide examples of where relief may be appropriate and why.

Q12 – Are there any issues with the proposed reporting requirements that you think we should know about?

Q13 – Do respondents have any other concerns or suggestions around potential compliance risk?

Annex V - Health Initiatives

Current	About
Healthy Schools	- Installed filtered water fountains in all public schools - Cafeteria and Vending Machine policy – introduced in 2006, requires all Government schools to supply water and/or 100% juice in vending machines and during meals. Public schools are also compliant. - Promotes water-only policies, which developed after the introduction of the Cafeteria and Vending Machine policy.
Premier's Youth Fitness Programme (PYFP)	- Introduced in Sept. 2016 to encourage fitness in schools. Tracks the levels of core and upper body strength, flexibility, body composition and aerobic capacity, while providing guidance to parents and children to improve activity levels and nutrition.
50 Billion Steps Challenge	- Ran one in 2017 and another scheduled for January 2018 to encourage community to walk more.
Eat Well Plate	- Used to promote health, balanced eating. Currently on the windows of the Ministry.
Eat Grow Save	- Launched in Spring 2017. Overprescribed and 10 plots behind Devonshire post office for participants established to grow produce.
Well Bermuda Strategy	- Published in 2006. The strategy provides a shared vision and set of goals for a healthy Bermuda.
Food Label Guide in grocery stores	- The Food label guide is similar to a traffic light system for total fat, saturated fat, sodium and sugar Green-Great category is good for everyone unless the doctor specifies otherwise. Yellow-OK category foods are OK to eat but not too much. Red-Stop category foods are recommended only to eat sometimes for everyone.
Celebrate Wellness	- Annual Health Fair that promotes healthy eating and active living. - Encourages community partners to engage with the public - Started in 2011
Savour the Flavour : Eat Well for Less	- Department of Health partnered with community retail partners to line-up a range of healthy foods that grocers will offer as weekly specials. - Items are pre-vetted by the DoH dieticians to ensure they are part of a balanced diet.
Taking it to the Streets	- Five free health screenings held in Somerset, Hamilton and St. George's in 2017 to identify health issues. - 351 people were screened and 126 were referred for high blood pressure and sugar.
Commit to Change: Halting the Rise of Obesity and Diabetes	- Introducing a National Framework for tackling obesity and diabetes.

Proposed	About
Non-communicable disease Board	To coordinate the Obesity and Diabetes National Framework.
Eliminate SSBS from Kids' Meals	Establish standards for kids meals that prohibit SSBs being served with the kids meals. Could also include partnering between chain/unhealthy food establishments and charities benefiting children.
Introduce Food Labelling	Require food establishments to publish food nutrition labels on their menus. Link to their licensing.
License SSB Retailers	Add requirement stores limit the number of SSBs they carry to healthy beverages, restrict portion sizes or set a minimum price.
Limit SSB Portion Sizes	Limit the portion size on single-serving SSBs.
Public Awareness Campaign	Similar to NYC's Pouring on the Pounds campaign. Ask consumers to reduce consumption by a specific amount, identify the health risks.
Limit SSBs on Government Property	Remove from vending machines, healthy meeting policies.
Encourage Businesses to eliminate SSBs	Find an incentive for businesses to eliminate the SSBs.
Encourage creation of Healthy Checkout Aisles	Food retailers to offer a minimum number of healthy snacks at the checkout counter.
Vending Machine Policy in Government Buildings	Restrict or limit unhealthy options in vending machines on any Government Premises (except the airport departure gates)
Read your labels food guide in supermarkets	Work with supermarkets to display Food Label Guide prominently at point-of-food item selection (i.e. in the isles)