

Submission on Customs and Excise (Tobacco Products - Budget Measures) Amendment Bill

Submission on behalf of:

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To: Committee Secretariat (Finance and Expenditure Select Committee)

Parliament Buildings

Wellington

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We thank the Committee for the opportunity to make a submission on the *Customs and Excise (Tobacco Products - Budget Measures) Amendment Bill 2012*.

The Cancer Society of New Zealand is convinced that increasing tobacco tax is the single most effective measure to reduce tobacco consumption. We therefore believe that achieving the Government's vision of smokefree New Zealand by 2025 requires a greater increase than the proposed amendment of four 10-percent increases on tobacco tax.

We know that smaller increases on tobacco excise have less impact on consumption as smokers can adjust to these increases by cutting down that amount of tobacco they smoke or switching to cheaper brands.

A New Zealand study (Glover, M. & Cowie, N. 2011) showed that two-third of smokers living in low-socio-economic areas attempted to quit smoking after the excise increases in 2010 and 2011. However relapses among them were high and 40 per cent of smokers who did not quit successfully adapted by reducing their consumption per day and 22 percent adapted by switching to cheaper brands.

We consider that steeper tax increases will result in more successful quit smoking attempts, as well as mitigating tobacco companies' ability to maintain their sales by introducing ultra-low cost brands.

We also consider that it is important to assist smokers, especially those from low socioeconomic groups to make successful quit attempts by providing a range of appropriate government funded cessations services.

We ask the committee to consider increasing tax by 40 per cent in 2013 then by 20 per cent in 2014, 2015 and 2016 to ensure the vision of smoke free Aotearoa is achievable by 2025.

We also ask the Committee to remove the sale of duty-free tobacco products as currently it undermines the tobacco taxation policy and the Government's wider goal of a smokefree New Zealand by 2025.

In summary we ask the Committee to consider the following proposals:

- An excise tax increase of 40-percent in 2013 followed by three successive 20-percent increases between 2014-2016;
- Immediate removal of the duty-free tobacco allowance .

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I wish to appear before the committee

Yes

No

Yours Sincerely

Skye Kimura
National Tobacco Control Advisor
Cancer Society of New Zealand