

**Consultation on the
Customs and Excise (Tobacco Products- Budget Measures) Amendment Bill**
The Finance and Expenditure Committee has called for submissions on the Customs and Excise (Tobacco Products—Budget Measures) Amendment Bill.

The bill seeks to amend the Customs and Excise Act 1996 to make four cumulative 10% increases to the duties on all tobacco products.

Submissions are due by 22 June 2012

The campaign kit is developed with a submission template that you may adapt or use and a FAQ sheet on the rationale for the following proposals in the submission:

- An excise tax increase of 40-percent in 2013 followed by three annual 20-percent increases between 2014 and 2016
- Removing the duty-free allowance

We need steeper tax increases to achieve the Government's Smokefree 2025 vision.
Submissions can be made in writing or online (<http://bit.ly/KXwOyc>).

The FEC requires two copies of each submission if made in writing. If you wish to appear before the committee, please state this clearly and provide a daytime contact number.

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

Date: 11 / 6 / 2012

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

Increasing tobacco tax is the single most effective measure to reduce tobacco consumption. 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.

Smaller increases on tobacco excise have less impact on consumption as smokers can adjust to the smaller increases by cutting down 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. But relapses among them were high – 40 percent of smokers who did not quit successfully adapted by reducing their consumption per day and 22 percent adapted by switching to cheaper brands.

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.

It is important to assist smokers in low socioeconomic areas to make successful quit attempt through steeper tax increases and thus control the ability of tobacco companies to absorb the cost increases.

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

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;
- Removing the duty-free tobacco allowance.

We ask the Committee to consider the above measures which make good economic sense and will reduce the impact of tobacco related morbidity and mortality on our population.

I wish to appear before the committee

Yes

Signed:

Name: Taima Campbell, RN, Ngati Tamatera, Ngati Maru, Ngati Kiriwera