



Customs and Excise (Tobacco Products - Budget Measures) Amendment Bill
Finance and Expenditure Select Committee

The Salvation Army (New Zealand, Fiji and Tonga Territory) Submission:

1. BACKGROUND:

- 1.1 The Salvation Army is a worldwide evangelical Christian Church and human service provider committed to caring for people, transforming lives and reforming society. The Salvation Army works with people in need, whoever and wherever they are; transforming lives through spiritual renewal; working to reform society by alleviating poverty, deprivation and disadvantage; and challenging evil, injustice and oppression. During 125 years of operation in New Zealand, the Army has carried its social services to people of all ages, regardless of culture, financial position, religious belief or social class.
- 1.2 This submission has been prepared by The Social Policy and Parliamentary Unit (SPPU) of The Salvation Army¹. SPPU is the social policy analysis and research arm of The Salvation Army. The Unit was founded by Major Campbell Roberts and works towards the eradication of poverty by encouraging policies, practices and structural systems that strengthen the social framework of New Zealand. SPPU releases research reports on specific social issues, a monthly e-newsletter, unique policy advice and analysis and engagement with policy and decision makers, business leaders, politicians and other members of our communities.
- 1.3 This submission has been approved by Commissioner Donald Bell, the Territorial Commander of The Salvation Army's New Zealand, Fiji and Tonga Territory.
- 1.4 We would like the opportunity to publicly talk to these issues with the Government that are raised in this submission. Our contact details for this submission are at the end of this paper.

2. THE SALVATION ARMY PERSPECTIVE:

- 2.1 The Salvation Army is fully supportive of any measures that will help New Zealand become a fully smoke free nation and improve the health outcomes of New Zealanders. We applaud the solid and dedicated work done by public health professionals, smoking

¹ <http://www.salvationarmy.org.nz/research-media/social-policy-and-parliamentary-unit/>

cessation lobbyists, politicians and other members of our communities who have worked relentlessly for a smoke-free New Zealand over the last several decades.

- 2.2 We are fully supportive of the measures that this Bill will implement. We are also supportive of the other smoking cessation measures that are or will be put in place around the country. For instance, we acknowledge the complete banning on the display of tobacco products in retail environments from 23 July onwards as another positive measure.
- 2.3 It occurs to The Salvation Army that the efforts, resources and time invested towards a smoke-free New Zealand have been quite significant. We as a nation have been essentially quite aggressive in the campaign to become smoke-free. We see this as a positive thing.

Smokefree New Zealand and other groups have published a very detailed history of tobacco in New Zealand and the community and government efforts for smoking cessation². The Smokefree Coalition, in their *Tobacco Free New Zealand 2020* report listed some of these aggressive moves since 1990. This is reproduced below³.

- 1990 - Smoke-free Environments Act (1990) required many indoor workplaces and public transport to be smoke free, strengthened regulation of tobacco marketing and banned sale of tobacco products to people aged less than 16 years (raised to 18 years in 1998)
- 1994 - Auahi Kore brand developed
- 1995 - All tobacco sponsorship ends
- In 1991, 1998 and 2000 - large tax increases on tobacco products
- 1999 - Launch of Quitline
- 2000 - Launch of Aukati Kai Paipa - Māori smoking cessation programme
- 2003 - Smoke-free Environments Amendment Act (2003) becomes law, making all schools and remaining indoor workplaces smoke free, including pubs and restaurants
- 2008 - Graphic health warnings on tobacco products introduced

- 2.4 We vigorously applaud this concerted effort to make New Zealand smoke-free. But we continue to wonder why similar aggressive efforts towards effective and serious alcohol reform have not truly happened in our nation.
- 2.4.1 We acknowledge that the Government is in the midst of a significant alcohol reform process. We also acknowledge the work of the Ministry of Health, Alcohol Healthwatch and other groups working in this space. The hugely devastating effect of alcohol abuse and our national drinking culture is well documented. Alcohol abuse continues to destroy and fracture our whanau and communities every day.
- 2.4.2 Therefore, it continues to baffle us why the Law Commissions recommendations on alcohol reform from 2010 remain largely ignored by our policy and decision makers. We again affirm that the Government's recently released reforms are not

² <http://smokefree.org.nz/history-tobacco-new-zealand>

³ <http://www.sfc.org.nz/pdfs/091221AchievingtheVision.pdf>

strong and comprehensive enough to effectively address the lives of thousands of people damaged by alcohol abuse.

- 2.4.3 It confuses us even more that we are now legislating significant increases in tax excise yet we are unwilling to implement a strong tax on alcohol policy to address social harm from alcohol abuse.

We are willing to follow the Treasury's advice and options around tobacco excise increases. But we will not follow the World Health Organisation's decree that raising alcohol taxes is the most cost-effective method to help address alcohol harm and abuse in a nation.

- 2.4.4 We call for consistency and bravery in both the tobacco and alcohol reform process by the Government. Both of these are areas that tragically and fatally many in our nation. They cost us billions of dollars as a nation. We need stronger action in both areas, both at community and at a local and central government level.

3. RESPONSES TO SPECIFIC AMENDMENTS IN LEGISLATION:

- 3.1 We have a very specific responses to this Bill:

3.1.1 In the very informative Regulatory Impact Statement prepared by the Treasury, three options were listed for increasing tobacco excise. Treasury advised that option one, where there would be 10 per cent plus consumer price index (CPI) increases each year for the next 4 years. This is the option that has been adopted by Hon Tariana Turia as she moved that this Bill be read by Parliament for the first time.

3.1.2 We believe that all of the options presented by the Treasury are all positive options and will assist in the move towards a smoke-free New Zealand. We do not dispute the validity and benefits of all of these options.

3.1.3 Our response is that the Select Committee should look again at option number three presented by Treasury. We believe this is the strongest option. Option Three called for an immediate 30 per cent increase in tobacco excise in May 2012 followed by a further 10 per cent and CPI increase each year for the next four years. We sincerely believe that this would be the most effective way to increase the tobacco excise.

3.1.4 Treasury stated on page 10 of the RIS that *option three would provide the greatest incentive for smokers to quit.*

We strongly agree with this reasoning.

The price mechanism is proven and accepted as the most effective population-level type of policy to combat smoking

that a government can use. This Bill is hugely significant. A clearer and stronger signal is needed to be sent immediately to tobacco manufacturers and consumers. We believe all of the options that Treasury provided are great steps towards smoking cessation. However, we believe Option Three can achieve our national and community smoking cessation goals quicker and more effectively.

3.1.5 We believe that increasing the tax excise is only one of many other measures that government and communities can embrace in the movement towards smoking cessation goals.

3.2 There are other critical issues that we wish to raise at this point:

3.2.1 We hope the proceeds from the increase in tobacco excise will be reinvested into effective smoking cessation groups working amongst iwi and communities.

3.2.2 We also acknowledge the Treasury's analysis of the potential social impacts and risks that might result from these changes in their RIS. Many of these risks are very real and will have serious potential effects on many of the people we work alongside. We particularly want to highlight the potential for illicit tobacco growth, importation and selling. People can take extreme measures if they are addicted to substances. We advocate that these social impacts are investigated further and that measures are taken to address these impacts.

4. CONCLUSION:

We want to thank the Finance and Expenditure Committee for the opportunity to speak to this Bill.

We continue to call on the Government to be courageous in both tobacco cessation as well as alcohol law reform. Both of these substances and industries seriously damage and fracture our whanau and communities. We applaud the bravery of this and other legislation in our national history that has fought for a smoke-free New Zealand. There are now other social harm areas left for us to fight together. Thank you and God bless.

For more information, please contact:

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