

Aide-Mémoire

Meeting with Retail NZ

Date due to MO:	21 April 2026	Date of Meeting:	22 April 2026
Security level:	IN CONFIDENCE	Reference:	H2026081466
To:	Hon Casey Costello, Associate Minister of Health		
Consulted:	Health New Zealand: ☐		
Proactive release:	This title is proposed by the Ministry of Health for proactive release: ☒		

Contact for telephone discussion

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About the Meeting

Purpose of Meeting: Retail NZ has requested to meet with you following release of their Illicit Tobacco report.

Details of Meeting:

Date: Wednesday 22 April 2026
Time: 1600-1630hrs
Venue: 3.305 EW

Attendees Carolyn Young, Chief Executive of Retail NZ since July 2023, and a member of the Ministerial Advisory Group for Victims of Retail Crime. Carolyn has a background in marketing, finance, and accounting and was previously Chief Executive of Special Olympics New Zealand, and Netball Central Zone.

Organisation Retail NZ is a membership advocacy organisation that represents the domestic retail sector.

Ministry representatives Officials can attend at your request.

Comment: This aide-mémoire provides you with talking points to support your discussions.

Background and context

1. You met with Retail NZ on 25 January 2024, to discuss the repeal of the 2022 amendment to the Smokefree Environments and Regulated Products Act 1990, as well as vaping product regulations. You met with them again on 17 December 2025 to hear their views on the impacts of smokefree regulations on the retail sector.

Illicit trade report

2. Earlier this month, Retail NZ published the report: *Time is running out to quit illicit tobacco: A case study in responding to emerging threats*. The report notes that while Retail NZ includes members of the tobacco industry, these members had no influence over the report. However, the report does rely on industry estimates of the illicit market.
3. The report makes the case for urgent action on illicit tobacco and recommends how New Zealand might respond.
4. The report notes that high taxes and prices are not the sole drivers of illicit markets, as illicit markets are often larger in countries with low taxes but poor enforcement. They list non-price factors such as:
 - a. lack of adequate regulatory frameworks
 - b. insufficient enforcement capacity
 - c. informal distribution networks
 - d. social acceptance.
5. The report's specific criticisms of New Zealand policy include:
 - a. a lack of enforcement/gaps in jurisdiction between agencies
 - b. penalties under the Customs and Excise Act 2018 being too low.
6. The report makes multiple recommendations:
 - a. establish a multi-agency illicit tobacco task force
 - b. seek \$75,000 from Budget 2026 for an independently chaired policy roundtable
 - c. comprehensive retail and wholesale licensing
 - d. enhanced border protection and intelligence
 - e. disrupting the digital black market
 - f. ratification of the WHO Protocol to Eliminate the Illicit Trade in Tobacco Products
 - g. starving the illicit economy (lowering smoking rates).

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