

In Confidence

Office of the Associate Minister of Health

Chair, Cabinet Social Wellbeing Committee

Approval to release discussion document: Proposals for a Smokefree Aotearoa 2025 Action Plan

Proposal

1. I propose to release the discussion document *Proposals for a Smokefree Aotearoa 2025 Action Plan* (attached) for public consultation.

Relation to government priorities

2. The Labour Party's health manifesto states that Labour in Government will deliver a Smokefree Aotearoa 2025 Action Plan as an immediate priority. The plan should directly tackle current inequities by supporting Māori and Pacific whānau to be smokefree, ensuring young people never start smoking, and introducing restrictions on the retail availability of tobacco in our communities.
3. Action towards a smokefree Aotearoa New Zealand supports a number of Government priorities, including empowering Māori to achieve better health outcomes, improving equity for Māori and Pacific peoples, reducing New Zealanders' risk of developing some cancers, and achieving the outcomes of the Child and Youth Wellbeing Strategy.

Executive Summary

4. The Government has agreed to develop a Smokefree Aotearoa 2025 Action Plan [CAB-19-MIN-0110 refers].
5. New Zealand has a goal to be smokefree by 2025. In practice this means fewer than five percent of New Zealanders will smoke daily. Projections suggest that this will be impossible to achieve with a 'business as usual' approach, and bold action is required. Because smoking rates are higher in Māori, and to a lesser extent Pacific peoples, success will depend on our ability to reach these populations.
6. Our current tobacco control measures largely focus on reducing demand through influencing consumer behaviour. They rely heavily on individuals' ability to quit, which is strongly influenced by their environment and the resources available to them.
7. To make a significant impact on smoking rates and particularly to reduce inequities, we must radically change the smoking environment to make it easy for young people to remain smokefree and for smokers to quit.
8. Achieving an equitable Smokefree 2025 is an enormous challenge and there are no guarantees of success, but we are most likely to succeed if we implement a multi-faceted package of population-based measures which are mutually reinforcing.

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9. The attached discussion document *Proposals for a Smokefree Aotearoa 2025 Action Plan* outlines a pathway to Smokefree 2025. It builds on what is already working well and proposes a package of innovative and bold actions that will change the smoking environment. Existing measures are described in the Appendix.
10. The discussion document sets out the following focus areas to achieve the Smokefree 2025 goal:
 - 10.1 strengthen the tobacco control system
 - 10.2 make smoked tobacco products less available
 - 10.3 make smoked tobacco products less addictive and less appealing
 - 10.4 make tobacco products less affordable
 - 10.5 enhance existing initiatives.
11. I am seeking Cabinet's agreement to publicly consult on the discussion document. The public's feedback will be used to inform the development of a final Smokefree Aotearoa 2025 Action Plan.
12. I propose to report back to Cabinet in mid-2021 seeking agreement to a final action plan for implementation.

Background

13. In 2011, New Zealand adopted the goal of reducing smoking prevalence and tobacco availability to minimal levels. In practice this means that fewer than five percent of New Zealanders will smoke daily by 2025.
14. In 2018, Parliament's Māori Affairs and Health Committees jointly reviewed progress towards Smokefree 2025 and recommended the development of an action plan, which the Government accepted [CAB-19-MIN-0110 refers].

Smoking rates are declining, but inequities persist

15. Smoking rates are continuing to trend downwards for all population groups, but significant inequities persist, particularly for Māori, Pacific peoples, and low socio-economic groups.
16. From 2006 to 2019, smoking prevalence reduced from 18.3 to 11.6 percent for the total population. This comprised reductions from 17.0 to 10.1 percent for the European/Other population, 39.2 to 28.7 percent for Māori and 24.8 to 18.3 percent for Pacific peoples (Figure 1).

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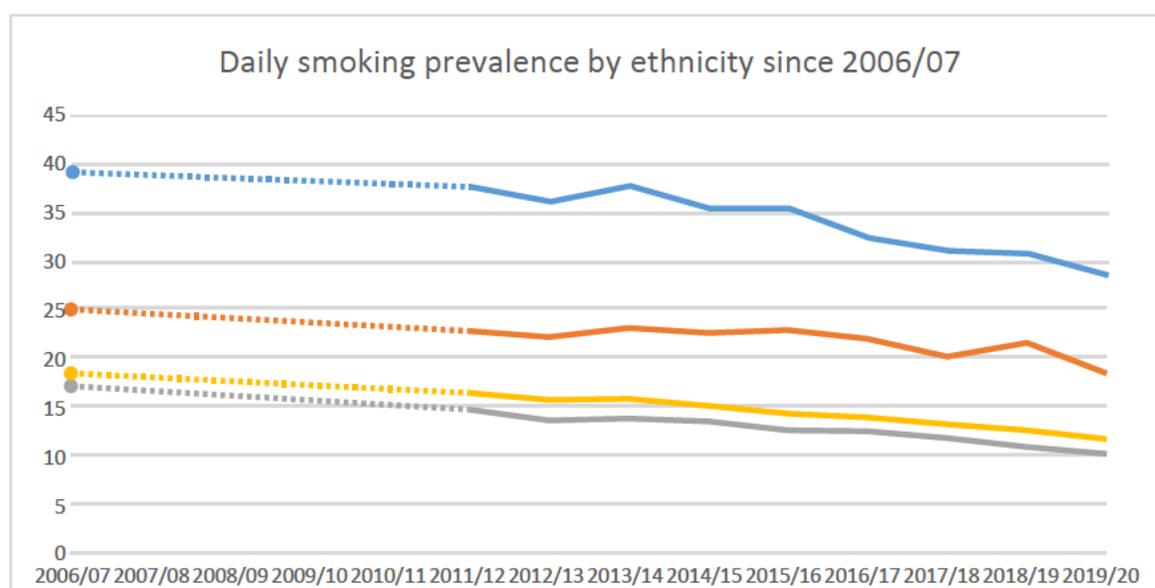


Figure 1: Daily smoking prevalence by ethnicity, 2006/07–2019/20

17. Māori women have New Zealand's highest smoking rates. The largest inequalities are among Year 10 girls (14 to 15-year olds). In 2019, 6.3 percent of Year 10 Māori girls smoked daily compared with 0.9 percent of Year 10 non-Maori, non-Pacific girls. These inequalities have increased in recent years as the smoking rate for non-Māori, non-Pacific girls of this age has decreased much faster than the rate for Māori girls.
18. These inequalities carry through into young adulthood, including pregnancy. For example, thirty-five percent of pregnant Māori women who presented to a lead maternity carer for the first time in the first quarter of 2020/21 smoked.
19. Eliminating smoking among these groups will help address inequities in health outcomes, increase family and whānau wellbeing, and relieve the high costs of smoking to communities and the health system.

An accelerated pathway to Smokefree 2025

20. Achieving Smokefree 2025 will be challenging. Under a business as usual approach, smoking rates are projected to reduce to 8.1 percent for non-Māori and 20 percent for Māori by 2025. Pacific peoples are projected to reach 11.7 percent daily smoking by 2025. Māori are not projected to reach five percent until 2061.
21. In the short term, we need to do more of what is currently working well. This involves:
 - 21.1 enhancing social marketing campaigns to encourage people to remain smokefree and to quit smoking, with a focus on Māori and Pacific peoples and young people
 - 21.2 scaling up stop smoking services for Māori
 - 21.3 developing and expanding stop smoking services for Pacific peoples

- 21.4 investing in community-based smokefree initiatives.
22. These actions require additional investment which will be considered as part of Budget 21.
23. However, if New Zealand is to have a chance of achieving its smokefree goal and addressing current inequities, we must change the smoking environment in a way that impacts everyone, regardless of the external influences on them or their own ability to take action. To do this, we need to implement bold population measures in addition to better supporting people to quit smoking, or not start.
24. The emergence of vaping products over the last decade or so changes the possibilities. Smokers who are not ready or able to quit, now have an alternative at much lower cost and risk to health.
25. This provides an opportunity for legislative change by adjusting the regulatory settings in the Smokefree Environments and Regulated Products Act 1990 towards a more risk-proportionate framework, making smoked tobacco much less accessible and desirable than vaping and smokeless tobacco products.
26. Any action to make tobacco products less accessible and desirable will, however, contribute to an increase in illicit trade in tobacco (eg, cigarettes that have not had tax paid on them).
27. While the Government has recently strengthened action to reduce illicit trade at the border, further measures will be necessary. Customs advises that this is an increasing issue. Customs seized tobacco products representing \$10.8 million of government revenue in 2019. This increased significantly in the first eight months of 2020 with \$12 million worth of seizures in this period.

Discussion document: Proposals for a Smokefree Aotearoa 2025 Action Plan

28. The attached discussion document sets out the following focus areas and actions to achieve the Smokefree 2025 goal:
- 28.1 Strengthen the tobacco control system by:
- strengthening Māori governance
 - supporting community action
 - increasing research, evaluation, monitoring and reporting
 - increasing compliance and enforcement activity.
- 28.2 Make smoked tobacco products less available by:
- licencing all retailers of tobacco and vaping products
 - significantly reducing retailer numbers based on population size and density
 - restricting sales of smoked tobacco products to a limited number of specific store types
 - introducing a smokefree generation policy.

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- 28.3 Make smoked tobacco products less addictive and less appealing by:
- reducing nicotine in smoked tobacco products to very low levels
 - prohibiting filters in smoked tobacco products
 - prohibiting innovations aimed at increasing appeal and addictiveness of smoked tobacco products.
- 28.4 Make tobacco products less affordable by:
- setting a minimum price for tobacco products.
- 28.5 Enhance existing initiatives by:
- increasing investment in mass and social media campaigns
 - increasing investment in stop smoking services for priority populations.
29. These actions have been selected for their potential impact based on available evidence, modelling by New Zealand researchers where this is available and expert opinion. This includes consideration of the likelihood that the measures will reduce numbers of smokers and the impact on equity where this can be assessed, as well as complexity of implementation.
30. Further tobacco excise increases are not proposed as part of the package. Excise increases have been successful at decreasing smoking; however, evaluation of the policy has identified some concerns regarding vulnerable New Zealanders who are unable to quit smoking. It is, therefore, proposed that further increases are not implemented at this time.
31. It is expected that stakeholders will have very different perspectives on the options for consultation. Community, Māori and health groups will likely be broadly in favour; smokers and their whānau may have mixed views; while those with a commercial interest in selling cigarettes, such as dairies and tobacco companies, will likely be opposed to most or all of the proposals, because achieving a smokefree Aotearoa will mean substantially less cigarettes are sold.

Impact of reducing the availability of tobacco

32. To achieve the Smokefree 2025 target we need to tackle the supply side of tobacco control, which has previously been largely neglected but has increasingly been addressed overseas.
33. New Zealand currently has no restrictions on where tobacco can be sold and tobacco outlets are heavily concentrated in disadvantaged neighbourhoods.
34. High retail density is associated with greater uptake of smoking in young people, increased consumption and increased adult smoking prevalence.
35. Growing evidence indicates that reducing the availability of tobacco products in retail outlets will reduce the number of people who start smoking, encourage smokers to quit and support former smokers to remain smokefree.

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36. To make a meaningful contribution to Smokefree 2025, the number of retail outlets would need to be significantly reduced. While data is limited, New Zealand modelling has suggested that we should reduce retail supply to five percent or less of the current estimated number of outlets.
37. Commercial organisations affected would include 10 tobacco importers, and 5,000 to 8,000 retailers (supermarkets, service stations, liquor outlets and dairies.) It is estimated that 2,000 to 3,000 of these retailers are likely to be convenience stores (dairies).
38. New Zealand has been on the path to becoming smokefree since 2011 and retailers have been adapting to reducing sales for many years. Between 2010 and 2019 tobacco consumption per adult has decreased by approximately 45 percent.
39. New Zealand research shows that for dairies, approximately five percent of sales are tobacco products only and a further nine percent are a mix of tobacco and other items.
40. Overseas evidence is that tobacco sales have low margins compared to other items sold in convenience stores, however, impacts on individual companies will vary based on their dependence on smoked tobacco, and their ability to replace these sales with, for example, vaping and smokeless tobacco products.
41. One option canvassed in the discussion document is to make cigarettes only available in specialist R18 stores or pharmacies. This would minimise the potential loss of business for existing retailers, as newly licensed retailers would not be in direct competition for the sale of food, beverages and other common purchases currently made alongside tobacco purchases.
42. The Minister for Small Business has been consulted and supports the inclusion of retail availability in the discussion document.
43. Specific feedback will be sought on impacts on small businesses.

Next Steps: public consultation and report-back to Cabinet

44. I propose to publicly release the discussion document in April 2021 for a six-week consultation.
45. Officials are taking a proactive approach to consulting with Māori and Pacific communities. Hāpai te Hauora (including Tala Pasifika), the Ministry's contracted national tobacco control advocacy group, is working with the Ministry to engage Māori and Pacific communities in the consultation process.
46. Consultation will include face-to-face hui and fono to ensure that whānau, families, and individuals (including smokers and vapers) have a real opportunity to have their voices heard. Contingency has been made to move hui and fono entirely online if needed.
47. In addition, consultation will be conducted online with the following groups being actively targeted: non-government organisations, district health boards, health practitioner representative bodies, academics, stop smoking service providers, Māori and Pacific providers, and the tobacco and vaping industries (representative bodies, manufacturers, importers, specialist vape retailers, and both large and small tobacco retailers).

48. Following consultation and analysis of feedback, I will report back to Cabinet seeking approval of a final action plan for implementation.

Financial Implications

49. There are no financial implications associated with this Cabinet paper.

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Legislative Implications

51. Some of the actions in the discussion document would require legislative change if they were to be included in the final action plan. A proposal for an amendment to the Smokefree Environments and Regulated Products Act 1990 has been prepared for the 2021 legislation programme, with a category 4 priority (refer to select committee by the end of the year).

Regulatory Impact Statement

52. The Ministry QA panel has reviewed the Impact Statement titled “Proposals for a Smokefree Aotearoa 2025 Action Plan”, produced by the Ministry of Health and dated March 2021.
53. The panel considers that the Impact Statement meets the quality assurance criteria. The Impact Statement is clear, complete, considered and concise, and suitable for a consultation paper. The analysis is balanced in its presentation of the information and the major impacts are identified and assessed.

Climate Implications of Policy Assessment

54. The Climate Implications of Policy Assessment do not apply.

Population Implications

55. Māori, Pacific peoples, and low socio-economic groups have higher smoking rates than others. The proposed actions aim to improve outcomes and equity in smoking rates and smoking-related illnesses.
56. Māori are seeking a role in Smokefree Aotearoa 2025 and seek to benefit from the action plan. Ensuring that Māori can contribute as partners to the development and implementation of the policy is an important responsibility under the Treaty. This is reinforced by the inequities that Māori experience as a result of the impacts of smoking, particularly Māori women.

Human Rights

57. The Government has obligations under the United Nations Convention on the Rights of the Child to protect the rights of children, including their right to good health.

Consultation

58. The following departments have been consulted and their views are reflected as appropriate: The Treasury, New Zealand Customs Service, New Zealand Police, the Department of the Prime Minister and Cabinet, Te Puni Kōkiri, Oranga Tamariki–Ministry for Children, Ministry of Justice, Ministry of Social Development, Ministry for Business Innovation and Employment (Commerce and Consumer Affairs), Ministry for Pacific Peoples, and Te Aho o Te Kahu (Cancer Control Agency).
59. The New Zealand Customs Service has indicated that some of the proposals would require careful consideration in respect of their impact on the incentives to smuggle tobacco or to engage in the illicit market as a consumer. These impacts would need to be factored into the evaluation of options following public consultation.

Communications

60. In addition to the Māori and Pacific consultation mentioned above, public consultation will be run through the Ministry of Health's consultation hub using the online tool Citizen Space. Specific groups will also be targeted for feedback (eg, non-government organisations, district health boards, stop smoking providers and small retailers amongst others). I intend to launch the consultation in late March-April 2021.

Proactive Release

61. I propose to proactively release this Cabinet paper (subject to redaction of budget sensitive information) to coincide with the release of the discussion document.

Recommendations

The Associate Minister of Health recommends that the Committee:

- 1 **note** that Cabinet has agreed to the development of a Smokefree Aotearoa 2025 Action Plan [CAB-19-MIN-0110 refers]
- 2 **note** that the purpose of the discussion document is to seek public feedback on proposals for an action plan, which will inform the development of a final action plan
- 3 **agree** to release the attached discussion document: *Proposals for a Smokefree Aotearoa 2025 Action Plan*
- 4 **agree** to the Minister making minor and technical changes to the document before its public release.

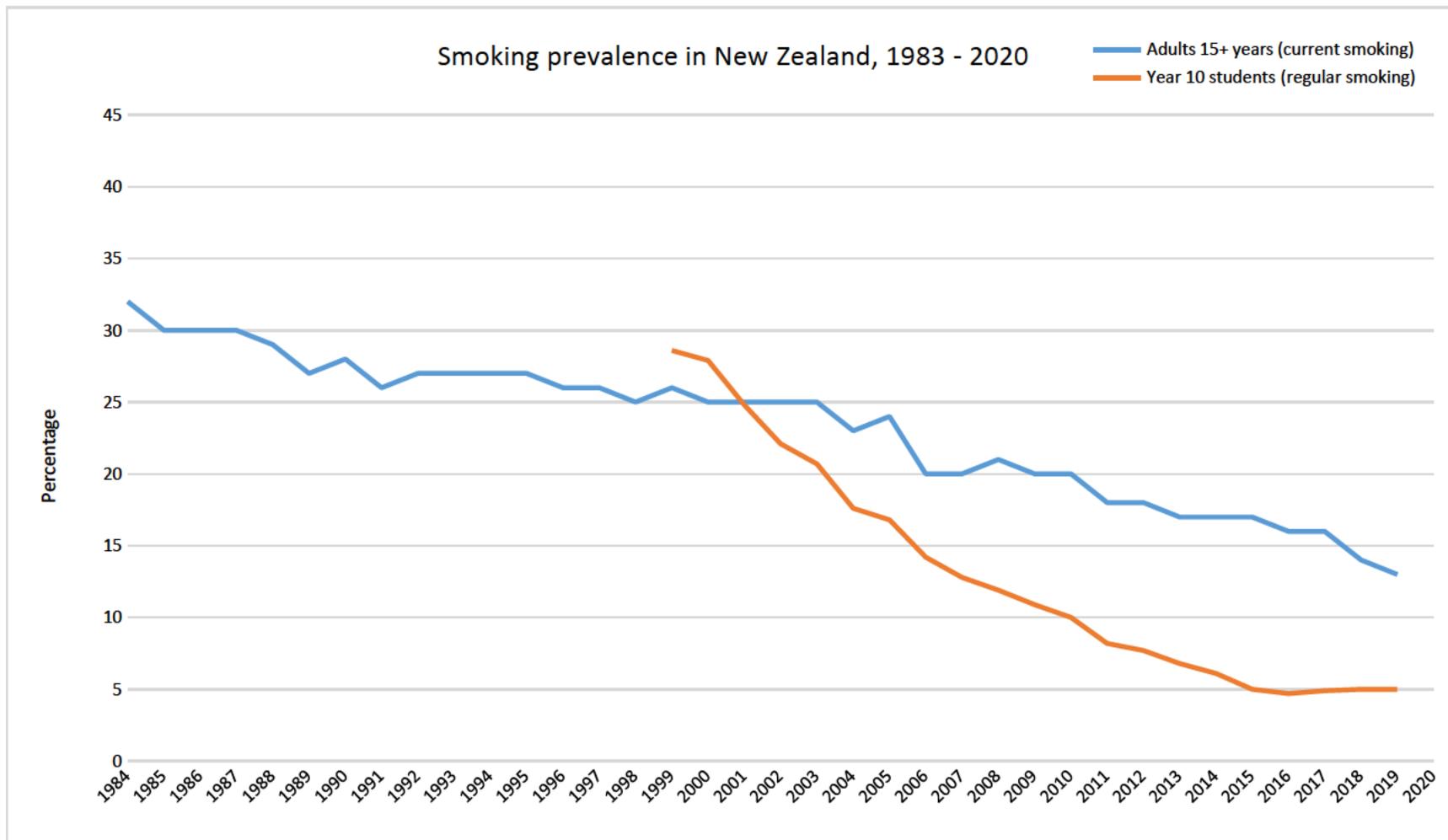
Authorised for lodgement

Hon Dr Ayesha Verrall

Associate Minister of Health

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Appendix:



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