

**INCREASE IN TOBACCO TAX WILL SAVE LIVES – SMOKEFREE
COALITION**

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You cannot ignore our stalled smoking rates any longer, the Smokefree Coalition told Parliament today. In his submission to the Budget Policy Statement, Director Mark Peck urged the Finance and Expenditure Committee to increase the price of tobacco so people would quit smoking.

Mr Peck said despite strong tobacco control measures, New Zealand's smoking prevalence rate had not fallen significantly in the past five years. Ministry of Health figures show 25 percent of the adult population were smokers in 2000, compared with 23.5 in 2005.

"The reason is simple – tobacco products have become more affordable. We haven't had a one-off increase in tobacco taxation since 2000. Meanwhile, real disposable incomes have increased, making cigarettes more affordable.

"Fewer young people are starting to smoke, yet our smoking rates have only fallen slightly. It is continuing smokers who are the problem, and by not increasing tobacco tax, the Government is putting them in the too-hard basket."

He said increasing tobacco taxation was the most effective way of getting people to quit smoking or cut down.

"Past tobacco tax increases have had quick and dramatic results. There were large drops in the sales of cigarettes after the price increases of 1991, 1998 and 2000.

"To help people quit, a significant proportion of the taxation revenue raised by a tax increase should go back into tobacco control initiatives, in particular, smoking cessation programmes."

The Smokefree Coalition also called for an immediate increase in the taxation on loose tobacco (roll-your-owns), as these are cheaper for people to smoke.

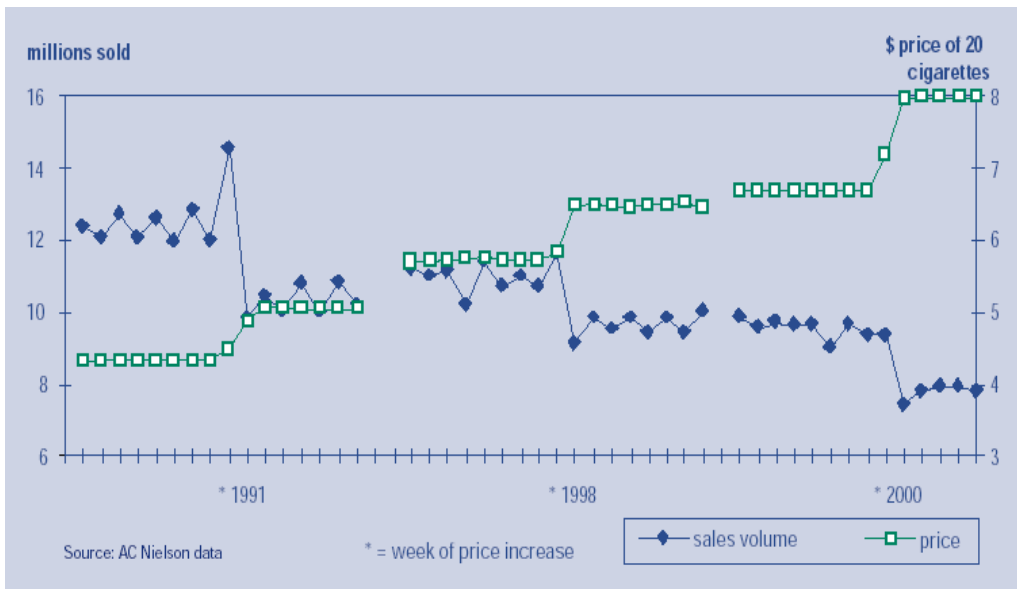
“By rolling thinner cigarettes, people can get four cigarettes for a dollar. There is no price incentive for smokers of rollies to quit, and people who can’t afford tailor-made cigarettes, use rollies to keep smoking.

“Per cigarette, roll your owns should have no price advantage over tailor-made cigarettes.”

For further information:

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Manufactured cigarette sales before and after the Budgets of 1991, 1998 and 2000 (using data from supermarket checkouts). From *Tobacco Tax – The New Zealand Experience*.



The above graph clearly shows the large drop in the sales of cigarettes after tobacco tax increases in New Zealand in 1991, 1998 and 2000.