
Aotearoa New Zealand Smokefree Workplaces

A 12-MONTH REPORT

December 2005



The Asthma and
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In 2003 Parliament's Health Committee reported back on its consideration of the Smoke-free Environments (Enhanced Protection) Amendment Bill and Supplementary Order Paper. It recommended a total ban on smoking in all indoor workplaces, including bars, restaurants, clubs and casinos.

The suggestion of smokefree bars was met by fierce resistance from the hospitality sector. A number of arguments were advanced – businesses will go bust; people will lose their jobs; accommodation between smokers and non-smokers, specifically ventilation, is a better approach; we will see an increase in drink spiking and violence as people go outside to smoke.

Supporters of the legislation – including the Asthma and Respiratory Foundation of New Zealand, the Cancer Society of New Zealand, the National Heart Foundation of New Zealand, Action on Smoking and Health (ASH), the Smokefree Coalition and Te Reo Marama – pointed out that the introduction of smokefree bars overseas had been followed by a neutral or positive affect.

More latterly, health groups were also able to quote the Scollo¹ study widely. This study analysed a number of economic impact studies conducted on smokefree ordinances, and suggested that no legitimate study had shown a negative economic impact as the result of implementation of a smokefree ordinance.

Aotearoa New Zealand Smokefree Workplaces: A 12-month report shows that smokefree hospitality venues have not resulted in an overall loss of profits in hospitality venues and do not appear to have affected employment or overseas visitor numbers. In addition, banning smoking in indoor workplaces appears to have prompted an increased number of people to consider quitting smoking. The legislation has strong public support, and compliance is high.

This report provides further evidence that the introduction of smokefree bars and restaurants hurts only the tobacco industry.

Jane Patterson
Executive Director
Asthma and Respiratory Foundation.

1 Scollo M, Lal A, Hyland A, Glantz SA (2003). Review of the quality of studies on the economic effects of smoke-free policies on the hospitality industry. *Tobacco Control*, 12: 13–20.

Indoor workplaces in New Zealand were required to be smokefree from 10 December 2004, following the passage of the Smoke-free Environments Amendment Act 12 months earlier. The smokefree provisions apply to all indoor workplaces, including bars, restaurants, clubs, casinos, offices, factories, warehouses, and work canteens.

The legislation aims to protect people from the harms of exposure to second-hand smoke. Second-hand smoke contains toxic substances that are often in greater concentration than the smoke inhaled by the smoker.² Exposure to second-hand smoke has been shown to cause coronary heart disease, lung cancer, stroke and other illnesses.

This report looks at the impact of the smokefree legislation, twelve months on. A number of indicators are considered, including effect on smoking behaviour, public opinion, economic data and compliance levels.

Main findings

- Increased calls to the Quitline in December 2004 and January 2005 suggest that many people were prompted to quit smoking as a result of the legislation.
- There is strong public support for smokefree bars and restaurants, with 67 percent now supporting a complete ban on smoking in bars and pubs compared to only 38 percent in 2001; and 80 percent supporting a complete ban in restaurants.
- Contrary to concerns expressed by opponents to the legislation, smokefree hospitality venues have not resulted in an overall loss of profits in bars, clubs, cafes or restaurants, and do not appear to have affected employment or overseas visitor numbers.
- Compliance with the legislation is high, with 97 percent of bars and taverns being smokefree in the latest survey.
- Patronage of bars and cafés by non-smokers has increased noticeably between 2003 and 2005, suggesting that non-smokers have been attracted to these venues by the smokefree environment.
- Socially-cued smoking in nightclubs, bars, casinos and cafés has decreased markedly between 2003 and 2005, suggesting that smokers smoke less when they are not able to smoke indoors in a social setting.
- The quantity of tobacco and cigarettes released for sale has showed no further decline following the enactment of the legislation. However, the amount of tobacco and cigarettes sold by supermarkets has continued to decline.

2 US Environmental Protection Agency, Office of Health and Environmental Assessment, Office of Research and Development (1992). *Respiratory Health Effects of Research and Development. Respiratory Health Effects of Passive Smoking: Lung Cancer and Other Disorders*. Report No. EPA/600/6-90/006F. Washington DC.

Smokefree hospitality venues were expected to lead to an increased number of people quitting smoking, and reduced tobacco consumption and therefore tobacco sales. There is some evidence that the legislation has had the desired effect. The large number of calls to the national Quitline suggests that the legislation has increased attempts to quit smoking. The quantity of tobacco and cigarettes available for consumption has remained static, although the amount of tobacco and cigarettes sold has decreased.

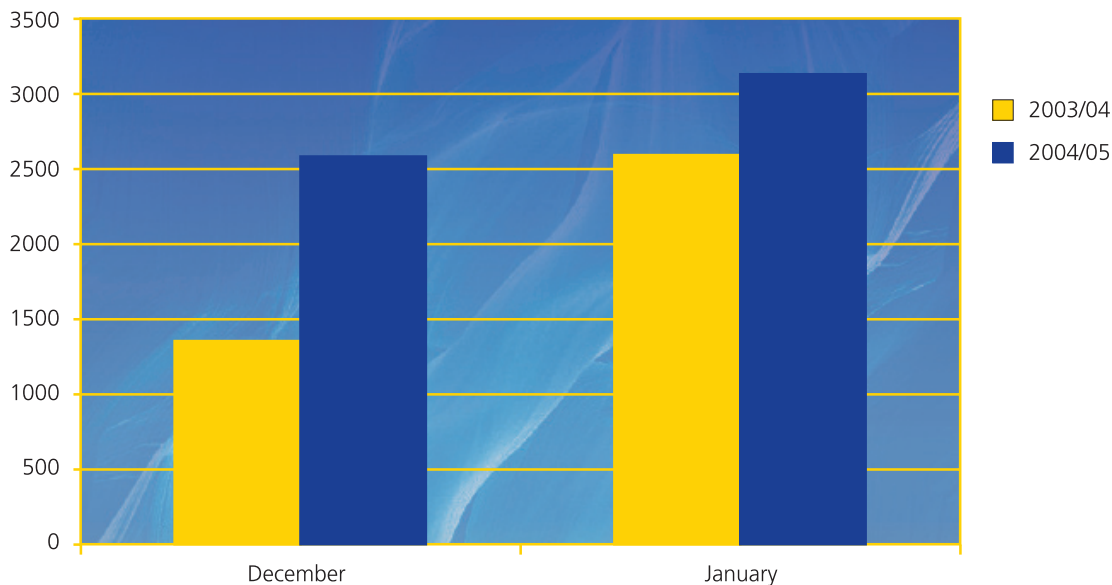
a. Calls to the Quitline

Callers to New Zealand's freephone Quitline are offered support and advice by Quit Advisors, and access to heavily subsidised nicotine patches and gum.

Incoming calls to the Quitline significantly increased in December 2004, and January 2005 in response to the 10 December 2004 ban on smoking in indoor workplaces, and an associated media campaign run by the Ministry of Health and Health Sponsorship Council over the same time period. To manage the volume of calls, campaign advertising did not include the Quitline number.

Calls to the Quitline usually decline over the Christmas period, but in December 2004 and January 2005 they increased by nearly 50 percent (and almost doubled in December), with nearly 6000 people calling the Quitline, compared to nearly 4000 callers in the same two-month period 12 months before.³

CALLERS REGISTERED AT THE QUITLINE



³ The Quit Group (September 2005). *Quitline Calls Analysis July 2004–June 2005*. Retrieved on 15 September 2005 from <http://www.quit.org.nz/documents/QLYearlyCallsReportJuly04June051.pdf>.

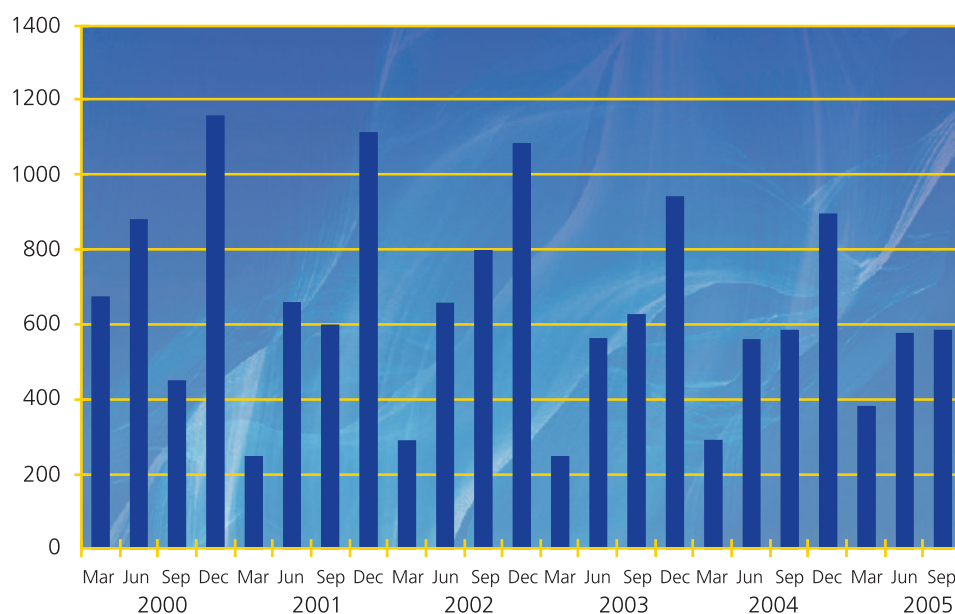
The Quit Group. Media release *Smokers quit after new smokefree law*. 28 July 2005. Retrieved from <http://www.quit.org.nz/documents/SmokersQuitPRJuly05.pdf> on 15 September 2005.

Evaluation of the Quitline programme has shown that 10–18 percent of people participating in the programme had quit smoking 12 months later, with others reducing their tobacco consumption.⁴ Increased calls to the Quitline therefore support other findings that smokefree laws can promote quitting attempts by smokers.⁵

b. Tobacco consumption

The quantity of tobacco and cigarettes released for sale has remained static following the implementation of the legislation. Changing patterns in the availability of tobacco and cigarettes in each quarter make it difficult to compare to the previous year. However, the chart below clearly shows a gradual reduction in the availability of cigarettes over the past five years.⁶

CIGARETTES AVAILABLE FOR CONSUMPTION (MILLIONS)



Source: Statistics New Zealand⁷

4 The Quit Group (September 2005). Evaluation of the Quitline NRT Programme. Retrieved from http://www.quit.org.nz/documents/Evaluation_Quitline_RR_screenres.pdf on 20 October 2005.

5 Wilson N, Thomson G, Grigg M, Afzal R (2005). New smoke-free environments legislation stimulates calls to a national Quitline. Letter to *Tobacco Control* 2005; 14: 287–288.

6 Cigarette equivalents include manufactured cigarettes and loose tobacco, and are based on 1 million cigarettes per tonne of loose tobacco.

7 Statistics New Zealand, Population Estimates. Retrieved on 21 November 2005 from <http://www.stats.govt.nz/products-and-services/info-releases/nat-pop-est-info-releases.htm>.

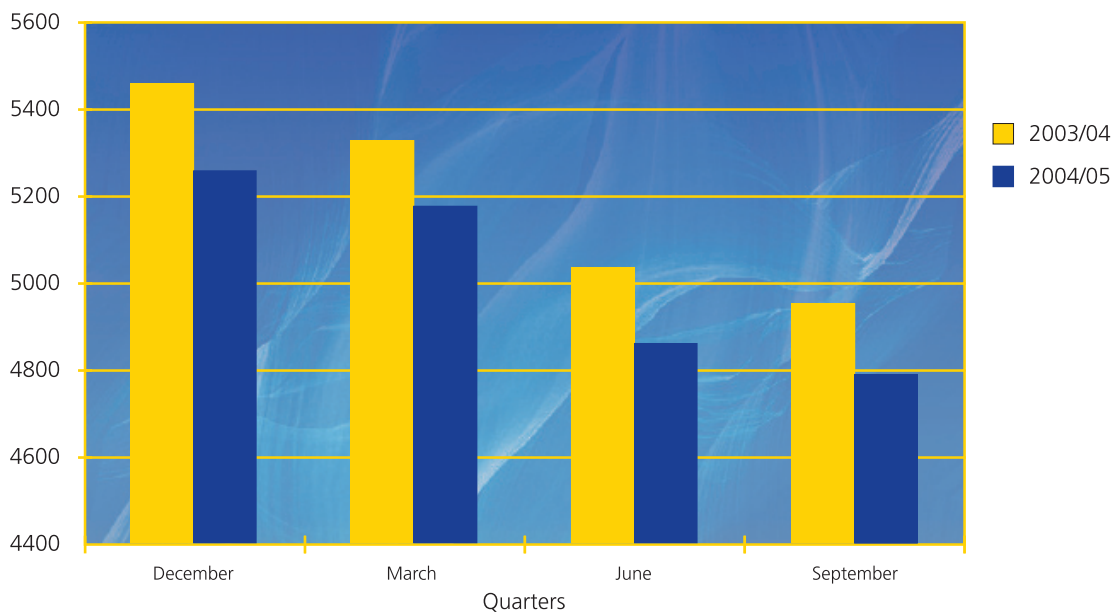
Statistics New Zealand, Alcohol and Tobacco Available for Consumption. Retrieved on 21 November 2005 from <http://www.stats.govt.nz/products-and-services/info-releases/alcohol-tobacco-info-releases.htm>.

c. Tobacco product sales

While tobacco consumption figures reflect tobacco and cigarettes released for sale, tobacco product sales figures show the amount of tobacco actually purchased by smokers. This is a more robust reflection of the amount of tobacco being smoked over a period, as tobacco products released for consumption may be stored prior to sale to retailers.

Data on tobacco and cigarettes sold by supermarkets shows a decrease for every quarter in the past 12 months compared to the same period in the previous year. In the first three quarters of 2005, there were 488,000 fewer packets of tobacco and cigarettes sold than in the first three quarters of 2004, a reduction of 3.2 percent.

PACKETS OF TOBACCO AND CIGARETTES SOLD BY SUPERMARKETS (THOUSANDS)



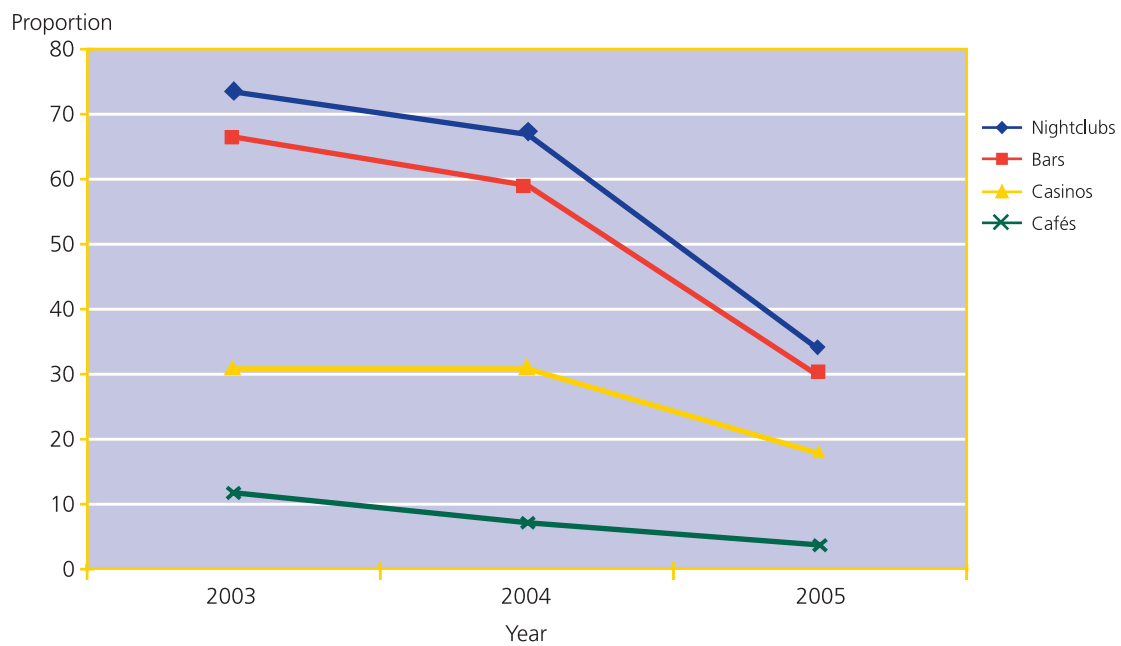
Source: AC Nielson

d. Socially-cued smoking⁸

Before the enactment of the smokefree workplaces ban, 65 percent of smokers reported smoking 'more than normal' in bars. This reduced considerably to 29 percent after the smokefree law. Conversely, the number of smokers who report smoking 'less than normal' in bars has increased almost four-fold from 7 percent in 2003, to 27 percent in 2005.

This suggests that smokers smoke less when they are not able to smoke indoors in a social setting.

⁸ Waa A., Gillespie J. (2005). *Reducing exposure to second hand smoke: Changes associated with the implementation of the amended New Zealand Smokefree Environments Act 1990: 2003–2005*. Wellington: Health Sponsorship Council.

CHANGES IN SOCIALLY-CUED SMOKING IN HOSPITALITY SETTINGS

a. Public support

Public support for smokefree bars and restaurants has grown significantly since they were first proposed. A National Research Bureau poll carried out for the Ministry of Health in 1999⁹ showed only 10 percent support for totally smokefree bars, and 41 percent support for smoking in separate rooms that did not allow smoke drift. Thirty-five percent agreed that there should be no smoking in restaurants.

Annual polls have continued to be conducted by UMR research,¹⁰ funded jointly by the National Heart Foundation and the Smokefree Coalition (2001 to 2003) and jointly by the National Heart Foundation and ASH in 2004. Each year there has been an increase in support for totally smokefree bars and restaurants. Support for smokefree bars in 2001 was at 38 percent, and by November 2004, just before the ban was enacted, had reached 56 percent. Support for smokefree restaurants rose from 61 percent in 2001 to 73 percent in 2004.

Support continued to increase after people were exposed to smokefree venues from 10 December 2004. A UMR survey conducted in April 2005 found that public support for a complete ban on smoking in pubs and bars had increased in the space of five months to nearly 70 percent. Support from smokers increased to 42 percent in April 2005, compared with 22 percent in November 2004. Support from non-smokers increased to 75 percent, from 66 percent in 2004.¹¹

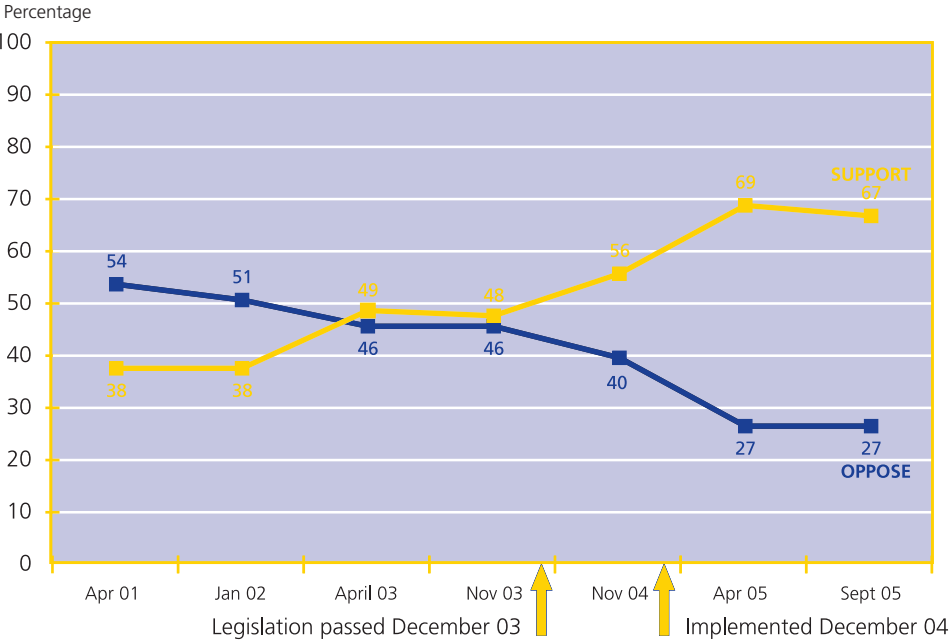
A UMR survey carried out in September 2005 found that support for a complete ban on smoking in New Zealand bars and pubs remained strong at 67 percent. Among smokers, support for a ban on smoking in bars and pubs had dropped, going from 42 to 31 percent. A complete ban on smoking in restaurants was supported by 80 percent of respondents.

9 NRB (1999). Attitudes towards environmental tobacco smoke. Prepared for the Ministry of Health. Retrieved on 24 March 2005 from <http://www.ndp.govt.nz/tobacco/ETSReport.pdf>.

10 Statistics New Zealand, Retail Trade Survey, June 2005 quarter, Table 7 Seasonally Adjusted Retail Sales by Quarter by Industry. Retrieved on 17 November 2005 from [http://www2.stats.govt.nz/domino/external/pasfull/pasfull.nsf/0/4c2567ef00247c6acc2570bc0073b08e/\\$FILE/ALLTABLS.xls](http://www2.stats.govt.nz/domino/external/pasfull/pasfull.nsf/0/4c2567ef00247c6acc2570bc0073b08e/$FILE/ALLTABLS.xls).

11 UMR Research Limited (2005). *Smoking ban in restaurants, bars and pubs: Omnibus results*. Survey carried out for Action on Smoking and Health (ASH).

SMOKING IN BARS AND PUBS



Several groups opposed the introduction of smokefree bars, restaurants, clubs and casinos. They were concerned that the profits of these venues would fall, which would result in loss of jobs and business closures. There was also concern that fewer tourists would visit New Zealand if venues were smokefree.

Examination of various indicators before and after the implementation of the legislation in December 2004 suggests that these fears were unfounded. Retail sales, employment figures and overseas visitor numbers have remained steady.

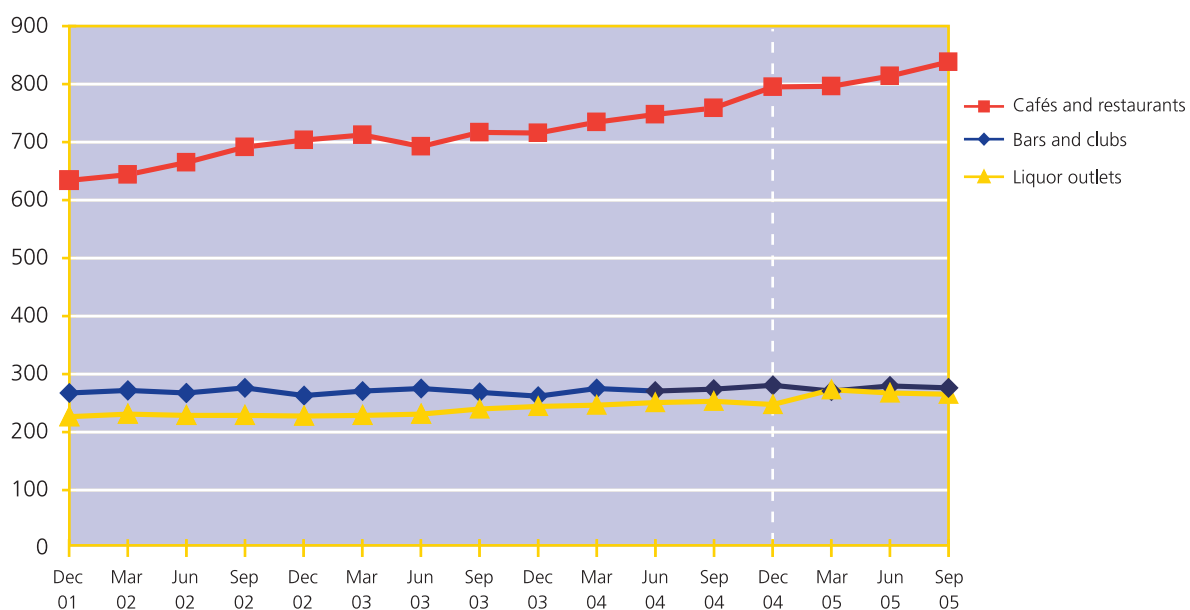
a. Retail trade figures

The retail trade figures for bars, clubs, cafés and restaurants for the March, June and September quarters of 2005, show that sales remain strong. This period included the British and Irish Lions rugby tour of New Zealand.

Seasonally adjusted sales for cafes and restaurants continued their upward trend, with an increase of over eight percent in the March and June quarters and ten percent in the September quarter compared to the same periods last year.

There was an initial downturn in bar and club sales in March 2005 and a corresponding increase in sales from liquor outlets – suggesting that people may have been buying liquor to drink at home, rather than going to a bar. However, bar and club sales quickly rebounded, with sales up three percent in the June quarter and almost one percent in the September quarter over the same period last year.

RETAIL TRADE FIGURES IN SELECTED INDUSTRIES (\$ MILLION)



Source: Statistics New Zealand¹²

12 Statistics New Zealand, Retail Trade Survey, June 2005 quarter, Table 7 Seasonally Adjusted Retail Sales by Quarter by Industry. Retrieved on 12 September 2005 from [http://www2.stats.govt.nz/domino/external/pasfull/pasfull.nsf/0/4c2567ef00247c6acc25705a001d78ac/\\$FILE/ALLTABLS.xls](http://www2.stats.govt.nz/domino/external/pasfull/pasfull.nsf/0/4c2567ef00247c6acc25705a001d78ac/$FILE/ALLTABLS.xls).

Fears about loss of profits following the smoking ban appear to be unfounded. Smokers, including large numbers of British and Irish rugby fans in New Zealand to follow the Lions tour, were quite happy to step outside for a cigarette.

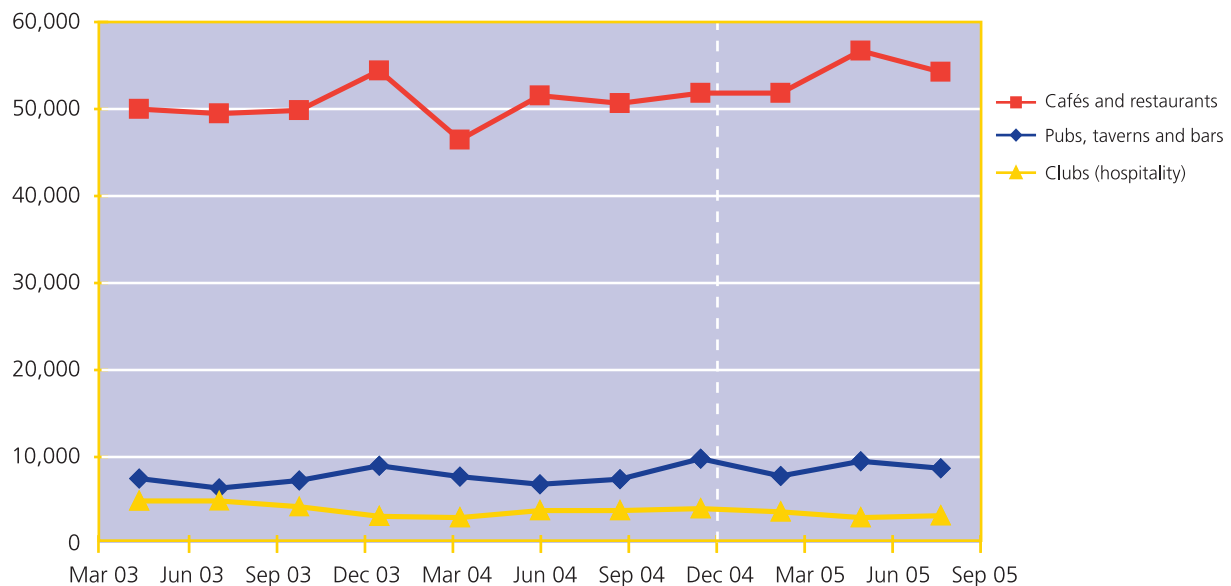
b. Employment figures

Opponents to the legislation were also concerned that smokefree bars and restaurants would result in job losses. However, the smoking ban does not appear to have affected employment in licensed premises.

Figures from the Household Labour Force Survey show increased employment in pubs, bars and taverns, and cafés and restaurants, in each of the March, June and September quarters of 2005, compared with the same periods in 2004. There were particularly large increases in the numbers of employees in these industries in the June quarter which is likely to be associated with the Lions rugby tour.

Employment in clubs was higher in the March quarter compared to the same period last year, but lower in the following two quarters. This appears to reflect a longer-term decline in the number of staff employed in clubs, with 2004 employment levels also down on the previous year.

EMPLOYEES IN SELECTED INDUSTRIES



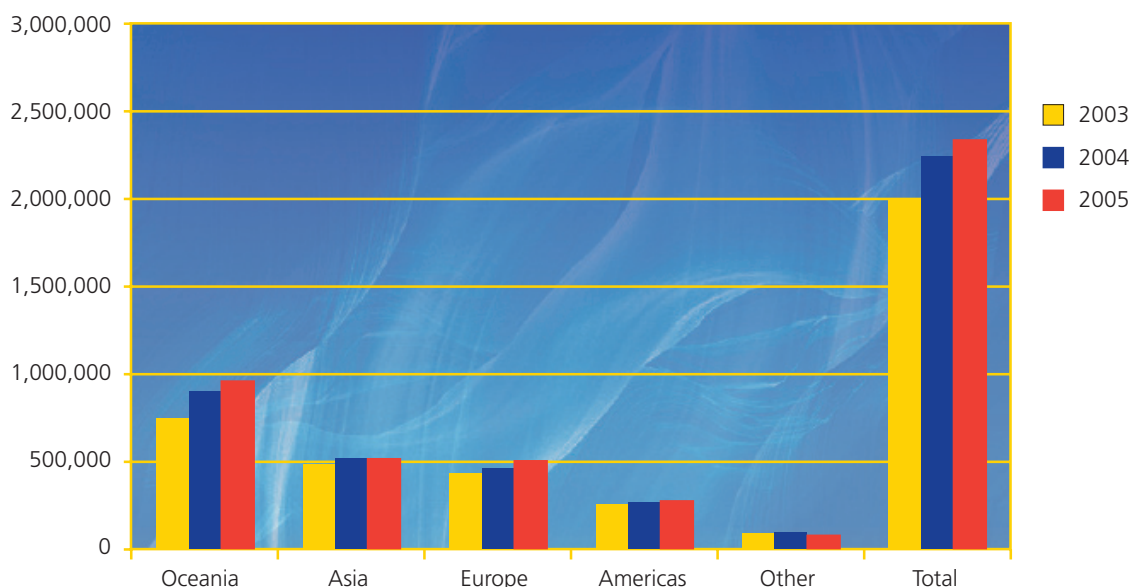
Source: Statistic New Zealand, customised data. Household Labour Force statistics: Employees (wage and salary) in selected hospitality industries selection quarters 2003-2005.

c. Overseas visitor numbers

Some groups opposed to the ban on smoking indoors in hospitality venues warned that such a move would affect tourism, particularly discouraging visitors from high-smoking Asian countries. They were concerned that many visitors expected to be able to smoke in bars and restaurants and would not come here if they had to smoke outside. This was despite a growing worldwide trend for jurisdictions to go smokefree in bars; New Zealand was the third country in the world to do so, following Norway and Ireland. Other countries that have since announced an intention to go smokefree in bars include Northern Ireland and Scotland.

Overseas visitor arrivals for the year ended September 2005 rose by four percent compared with the year ended September 2004.¹³ The biggest increase was in visitors from Europe, reflecting the number of Lions rugby tour followers in New Zealand. There was continued growth in visitor numbers from Oceania and the Americas. Visitor arrivals from Asia were down 1.2 percent on the previous year and there was also a decrease in arrivals from other areas.

OVERSEAS VISITOR ARRIVALS (YEAR ENDED SEPTEMBER)



Source: Statistics New Zealand

There are many factors influencing overseas visitor arrivals. The New Zealand Institute of Economic Research has suggested that major factors limiting tourism growth are the strength of the New Zealand dollar and the high oil prices.¹⁴

¹³ Statistics New Zealand, External Migration. Retrieved on 25 October 2005 from <http://www.stats.govt.nz/products-and-services/info-releases/external-migration-info-releases.htm>.

¹⁴ NZIER, 'Tracking the Economy', column published in the *National Business Review* on 29 July 2005.

Quarterly data suggests that the smokefree legislation is unlikely to have been a major influence in those regions showing a decline in overseas visitor arrivals. Arrivals from Asia were steady in the first three quarters of 2005 and arrivals from other areas were already in decline before the implementation of the legislation in December 2004.

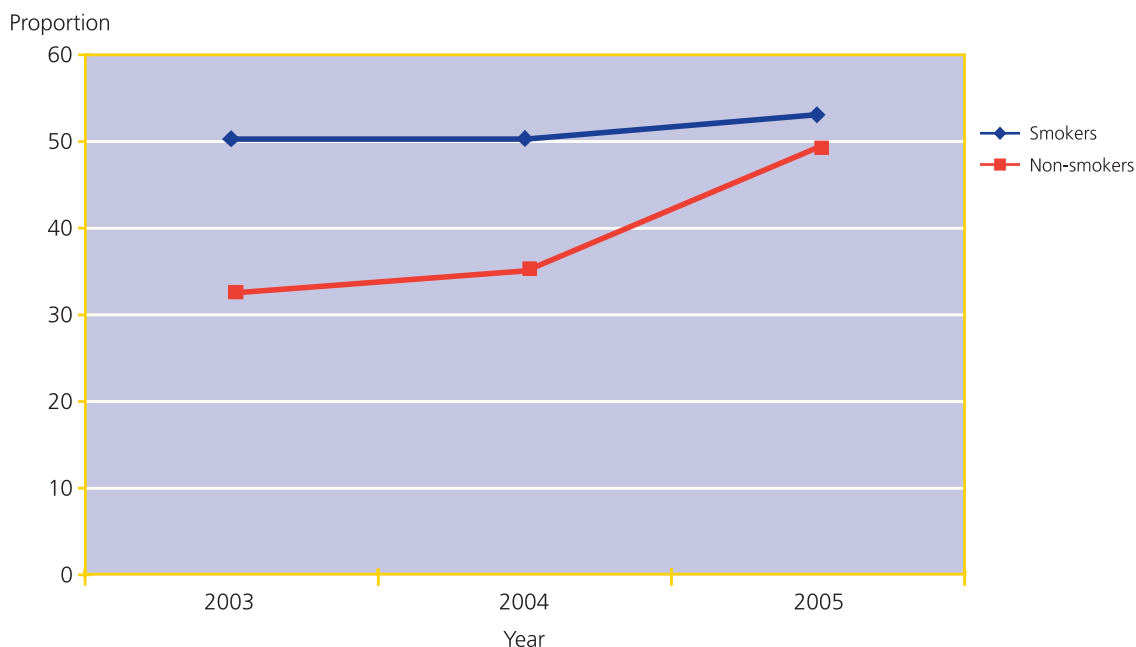
d. Patronage trends¹⁵

The smokefree legislation does not appear to have negatively affected patronage trends for hospitality venues. Among non-smokers, self-reported patronage of bars and cafés increased between 2003 and 2005. Before the introduction of smokefree bars, smokers were significantly more likely to attend bars; in 2005, bars attracted a similar number of smokers and non-smokers.

Non-smokers have significantly increased their patronage of bars since bars went smokefree, with reported visits rising from 33 percent in 2003, to 49 percent in 2005. Non-smokers have also increased patronage of smokefree cafés, increasing from 65 percent to 73 percent.

Smokers continue to patronise bars at levels of around 50 percent, and patronage of casinos and nightclubs by smokers has dropped slightly by about 5 percent each.

PATRONAGE IN BARS AMONG SMOKERS AND NON-SMOKERS: 2003 TO 2005



15 Waa A., Gillespie J. (2005). *Reducing exposure to second hand smoke: Changes associated with the implementation of the amended New Zealand Smokefree Environments Act 1990: 2003–2005*. Wellington: Health Sponsorship Council.

Compliance with the legislation is high. The Ministry of Health has received a relatively low level of complaints, most of which have been resolved. A national survey indicates a very high level of compliance with the legislation by bars and taverns.

a. Number and outcome of complaints¹⁶

The Ministry of Health received 386 complaints about breaches of the legislation in the first nine months following its implementation. One hundred and ninety-six involved licensed premises, 95 workplaces, 58 retailers, and 37 other venues such as early childhood centres and work vehicles.

As at October 2005, 273 complaints had been resolved, 109 complaints had yet to be resolved, and four cases were before the courts.

Most of the complaints were received in the first few months, suggesting that compliance improved after an initial adjustment period.

Feedback from designated smokefree officers around New Zealand also indicates that compliance with the law is high. However, a few publicans have taken a high-profile stand and continue to allow smoking in bars. These publicans argue that by having smokefree signage and asking people not to smoke, they are fulfilling their obligations under the law. These cases are being resolved through the judicial system.

b. Compliance survey

A national survey conducted by the National Research Bureau (NRB) showed 97 percent of bars and taverns were complying with the Smoke-free Environments Act.

Two surveys were conducted, in July 2004 and April 2005, in 20 centres around NZ. The purpose of the surveys was to measure the amount of smoking in bars before and after the implementation of the Smoke-free Environments Act on 10 December 2004.

Ninety-five percent of the 193 bars surveyed in July 2004 had smokers present. In contrast only 3 percent of these bars had smokers present in April 2005. In July 2004, 24 percent of the total patrons within the premises were smoking; only 0.23 percent were doing so in April 2005.¹⁷

16 Letter from Dr Don Matheson, Deputy Director-General, Public Health Directorate, to Smokefree Coalition, 5 October 2005.

17 National Research Bureau (2005). *Nationwide Survey shows 97 percent compliance with the Smokefree Environments Act*. Prepared for ASH. Retrieved on 8 June 2005 from <http://www.ash.org.nz/news.php?sid=116&id=Con910>.

SMOKING IN BARS AND TAVERNS

	July 2004	April 2005
Premises with people smoking	95%	3.00%
Proportion of patrons smoking within the premises	24%	0.23%

Source: NBR survey, undertaken for Action on Smoking and Health