



Petitions 2005/140 of Dalton Leo Kelly and 20,000 others and 2005/174 of Craig Foss

Report of the Health Committee

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Petitions 2005/140 of Dalton Leo Kelly and 20,000 others and 2005/174 of Craig Foss

Recommendation

The Health Committee, by majority, recommends that the Government require tobacco and cigarette displays in retail outlets to be out of sight.

Introduction

We have considered Petitions 2005/140 of Dalton Leo Kelly and 20,000 others and 2005/174 of Craig Foss. The first petition requests that Parliament ban tobacco and cigarette displays in retail outlets. The second requests that the House note the signatures collected by the Hawke's Bay Smokefree Youth Ambassadors in support of a complete ban on the visual display of tobacco products.

Background

The Smoke-free Environments Act 1990 forbade the promotion and advertising of tobacco products in various circumstances. Tobacco products could be displayed in shops provided they were not visible from the street.

In 2003 the Act was amended to limit further the promotion and advertising of tobacco products. Sections 23A and 23B of the Act set out the provisions subject to which these products may be displayed.

The Ministry of Health estimates that there are over 10,000 retail outlets selling tobacco products in Zealand. These products are usually displayed in large wall-mounted shelving units, sometimes referred to as "power walls", and are highly visible to all the customers of retail outlets, including children, young people, ex-smokers, and smokers trying to quit.

Influence of displays on vulnerable populations

International evidence suggests that the marketing of tobacco products influences whether children or young people start smoking. Furthermore, the location of tobacco display units can create a false impression of the safety, social acceptability, and prevalence of tobacco use. We were told that most New Zealanders smokers begin smoking before they are 14.6 years old, and that those who start smoking at a young age are more likely to develop severe addiction to nicotine.

We understand that smokers who are trying to quit are also influenced by the visibility of tobacco display units.

Tobacco use and harm

The cost of smoking has a significant impact upon the New Zealand economy. The Ministry of Health told us that the cost of smoking to the New Zealand economy is estimated at approximately \$1.686 billion (as at 2005) and the intangible costs at 81,650

quality-adjusted life years; and smoking-caused illnesses cost the health care system approximately \$300 million to \$350 million each year.

We support strategies to reduce the prevalence of smoking.

Review of tobacco display units

We welcome the ministry's review of the tobacco display provisions of the Smoke-free Environments Act 1990. In 2007 the Ministry of Health reviewed the tobacco display provisions of the Smoke-free Environments Act. Two consultation documents were released *Review of Tobacco Displays in New Zealand* and the youth-targeted *Tobacco Displays, Tell Us What You Think!* The ministry told us that approximately 80 percent of the submissions it received supported completely banning tobacco displays, and opposed retaining the current restrictions.

Display units in stores

The New Zealand Association of Convenience Stores told us that their members aspire to provide fast, efficient service to their customers, and that tobacco products account for approximately 37 percent of their members' annual sales. We asked the association what financial inducements and rebates tobacco and cigarette suppliers pay to retailers. We were told that suppliers may pay retailers to display their products, and that these commercial arrangements are subject to confidentiality clauses.

The ministry told us that it had written to the largest tobacco suppliers in New Zealand and to the association asking for information about the financial incentive arrangements between tobacco companies and retailers. The ministry has yet to determine whether such arrangements are permitted under the Smoke-free Environments Act.

The association told us that it might cost each retailer up to \$6,000 to relocate a display unit so that it was not immediately visible to the customer. It argues that if tobacco display units are required to be out of sight the revenue of their members will decline. However, we were told by some submitters that in countries such as Ireland and Iceland, which have banned these units, there have been no cost or minimal costs to retailers. There have also been no reports of store closures or job losses resulting from such a ban.

The association also argues that the risk to their members of assault by a customer may be increased if they cannot maintain eye contact while removing tobacco products from under the counter to sell them. The majority of us recommend that the association encourage their members to ensure that the interiors of their shops are visible from the street to improve their safety.

International precedents

Countries such as Iceland, Thailand, and all but one of the provinces of Canada have banned tobacco display units. We were told that the prevalence of smoking in Iceland has decreased from 23.6 percent to 19.8 percent between 2001 and 2005. This decline cannot be attributed solely to the banning of display units, because the measure was part of a comprehensive tobacco control programme. We understand that Ireland and New South Wales are also planning to ban these units. Without such a ban, however, the prevalence of

daily smoking among New Zealand adults has decreased by a comparable amount (from 23.4 percent in 2002/03 to 18.87 percent in 2006/07).

We were told that Health Canada monitors the impact of the ban on payments by tobacco suppliers to retailers in Saskatchewan, and has concluded that tobacco companies appear to be paying retailers to handle and sell their products, rather than to display them.

Conclusion

We have considered the requests by the petitioners to completely ban the display of tobacco products. We believe that tobacco display units should not be located in retail outlets where they are visible. Some of us do not agree with the New Zealand Association of Convenience Stores that there would be a significant loss of revenue if they were required to place these units elsewhere in their shops. However, we recognise that there may be a cost involved in relocating displays.

Recommendation

The majority of us recommend that the Government introduce legislation to require tobacco and cigarette displays in retail outlets to be out of the sight.

New Zealand National Party minority view

National members note that without a retail display ban, smoking rates in New Zealand have decreased from 23.4 percent in 2002/03 to 18.87 percent in 2006/07. We commend the agencies whose work has achieved this significant decrease and believe that resources should continue to be focused on further promotion of the programmes that have achieved this result.

National notes that the evidence presented from Iceland is unable to link the banning of displays with decreasing smoking rates. In addition National notes that recent bans of retail displays in Thailand and Canada have not yet shown positive results in smoking rates.

In the opinion of the National members there is a need for more international evidence, at this time that banning tobacco displays would bring about a significant decrease in smoking, in order to present a compelling and convincing case to the public.

Appendix

Committee procedure

We have considered evidence from the petitioners, the Ministry of Health, the Cancer Society and Janet Hoek, Massey University, ASH (Action on Smoking and Health), the New Zealand Association of Convenience Stores, and the New Zealand Retailers Association.

Committee members

Sue Kedgley (Chairperson)
Lesley Soper (Deputy Chairperson)
Dr Jackie Blue
Dr Jonathan Coleman
Jo Goodhew
Hon Luamanuvao Winnie Laban
Jill Pettis
Hon Tony Ryall
Barbara Stewart
Hon Tariana Turia
Louisa Wall