

Impact of foreign tobacco carried into New Zealand : evidence from a discarded pack collection study

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BACKGROUND: Duty free and cheap tobacco products brought into New Zealand (NZ) from overseas may undermine the impact of tobacco taxes.

AIM: To investigate the extent of this problem and estimated missed government revenue through a pack collection study.

METHOD:

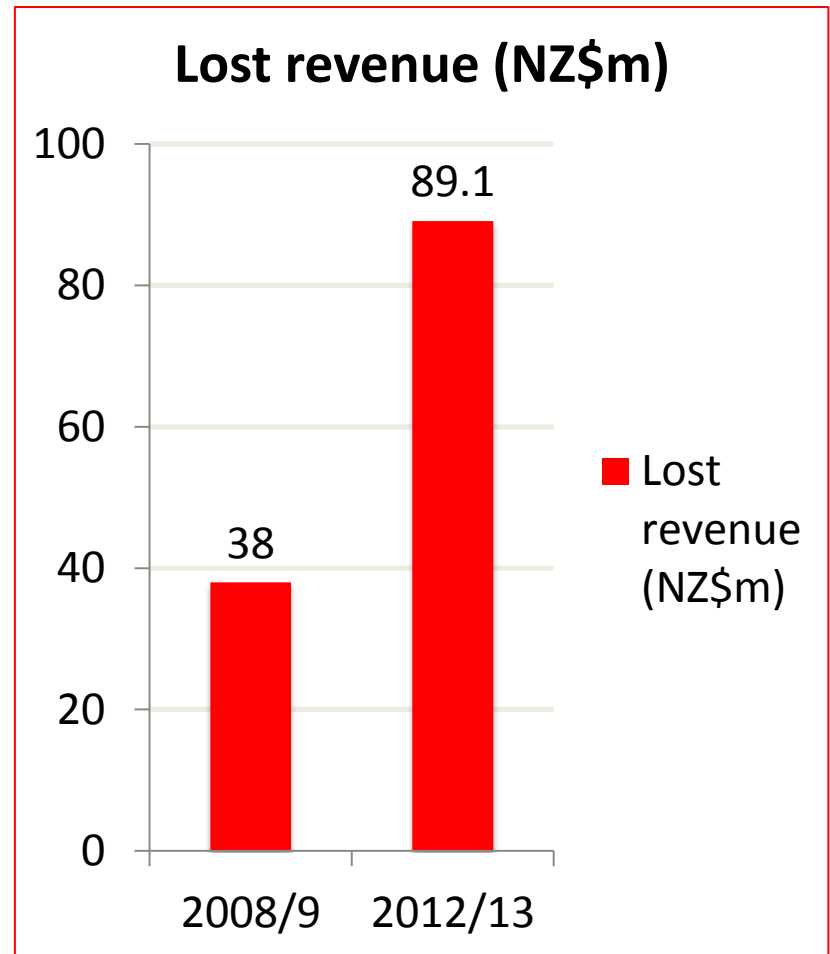
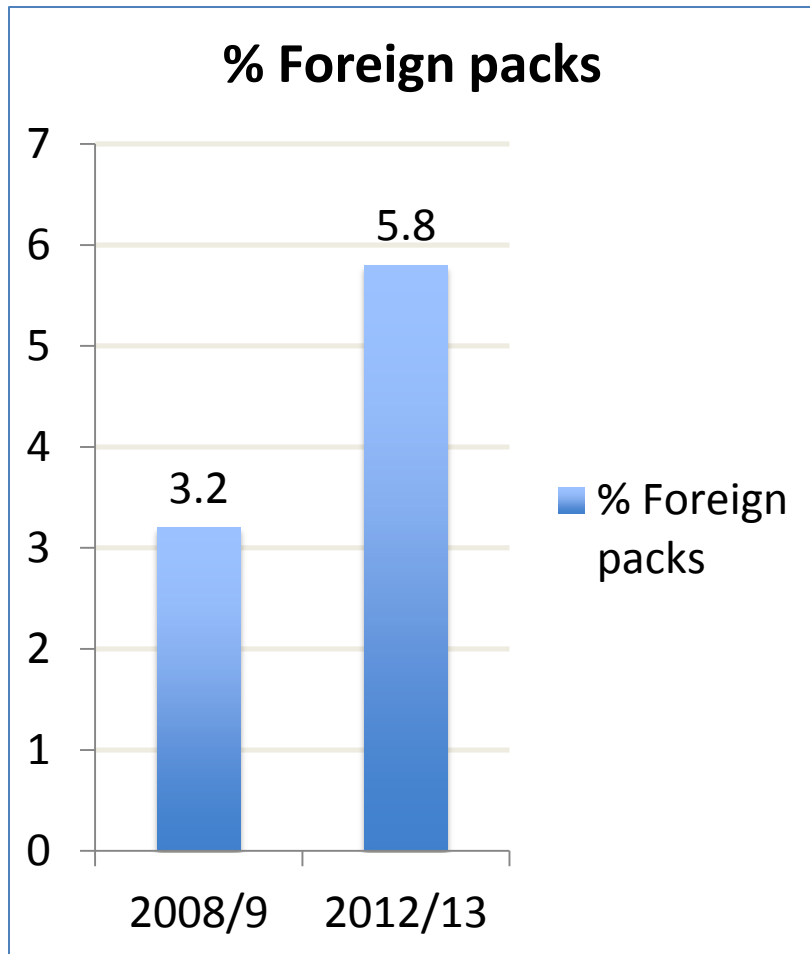
- We collected 1776 discarded packs collected from seven locations across NZ
- We identified foreign packs from:
 - (i) lack of the distinctive pictorial warnings required by law in NZ; and
 - (ii) lack of the use of Māori language as part of the warning



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WHAT WE FOUND...

Foreign packs and lost revenue



WHAT WE FOUND...

Other findings

- Australian packs were the most common - 45% in 2008/9 and 39% in 2012/13
- Chinese packs next commonest – 17% in 2008/9 and 26% in 2012/13
- Other 24 (24%) packs from 14 different countries and 14 (14%) undetermined
- Higher % foreign packs in Christchurch (9.5%), if excluded estimate of lost revenue was \$59.9m
- Estimates conservative as exclude losses from duty free tobacco bought by people arriving in New Zealand



WHAT DOES THIS MEAN?

- Conservative estimate is that \$60-\$90m lost government revenue from foreign packs brought into NZ
- Revenue loss could mostly be prevented by the abolishing or greatly reducing duty free allowances
- FCTC: Article 6

“..parties should adopt or maintain measures which may include...prohibiting or restricting, as appropriate, sales to and/or importations by international travellers of tax- and duty-free tobacco products”
- Māori Affairs Select Committee

“We recommend to the Government that the duty-free allowances in other jurisdictions be investigated with a view to changing that permitted at New Zealand ports of entry recognising Article 6.2 under the Framework Convention on Tobacco Control.”