

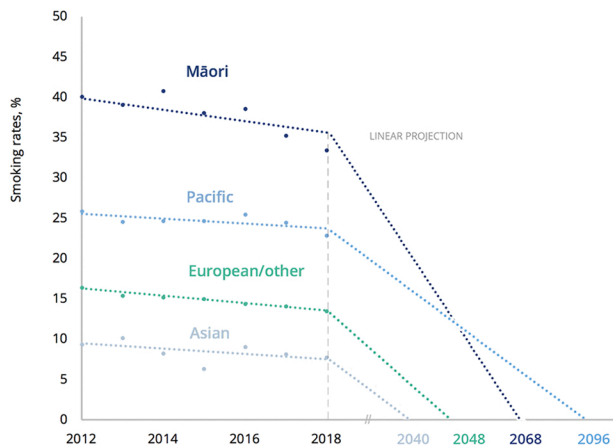
## Three major problems

1. Despite high tobacco taxes, NZ will not make its 2025 smoke-free target

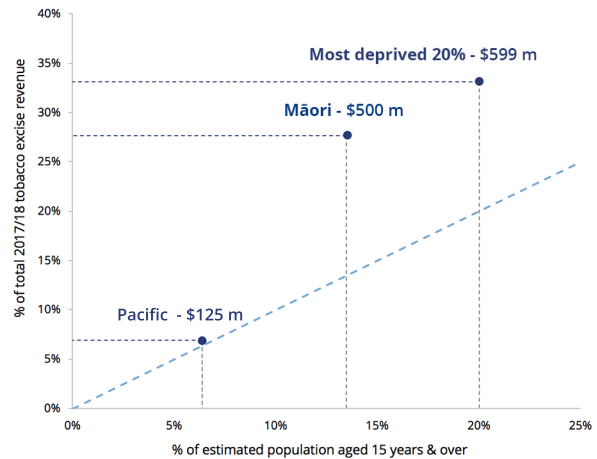
2. Māori and Pacific smoking rates remain high at 33.5% and 22.9%

3. Low income smokers are disproportionately affected by high tobacco tax

Forecasted decline in smoking rates by demographic (based on current trends)



Who paid disproportionate tax in 2017/18?



One in three Māori adults still smoke



One in four Pacific adults still smoke

## Vapes - an opportunity

The Ministry of Health's solution: "new legislation supporting smokers to switch to significantly less harmful options"

- "There is scientific consensus that vaping is significantly less harmful than smoking (around 95%)."
- "Many smokers who find it hard to quit may be able to switch to less harmful and often much cheaper alternatives."
- "The ministry believes vaping products could disrupt inequalities and contribute to Smokefree 2025."

Vapes tend to fit into two categories:

### E-cigarettes

- Heat liquid manufactured from tobacco to produce a nicotine vapour
- Tax rate of **\$0** and cost **\$2-10** per pack equiv.
- Used by around 200,000 New Zealanders
- Full conversion rate of 37%<sup>1</sup>

### Heated tobacco

- heats tobacco to produce a nicotine vapour
- Are taxed at the same rate as smoking tobacco, **\$1,666 per kg** and cost **\$20** per pack equiv.
- Used by around 3,000 New Zealanders
- Full conversion rate of 69%<sup>2</sup>

## Action - incentivise switching

Affordability is a key incentive to switch to vaping away from cigarettes

Remove tax barrier to give smokers equal access to all less harmful options

Increase access to a range of less harmful options that work for a range of smokers

<sup>1</sup> <https://onlinelibrary.wiley.com/doi/pdf/10.1111/1753-6405.12871>

<sup>2</sup> Industry estimates