

Submission

By the

National Association of Retail Grocers and
Supermarkets of New Zealand

to the

Ministry of Health

on the

**Proposal to ban tobacco retail displays
in New Zealand**

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1. INTRODUCTION

This submission is made on behalf of the National Association of Retail Grocers and Supermarkets of New Zealand (NARGON), an organisation representing approximately 40% of New Zealand's food retailing industry.

NARGON has around 500 retail members who are owner-operators of retail food warehouses, supermarkets and grocery and convenience stores. In the main NARGON's retail members are aligned to a banner advertising group of stores such as Pak'N Save, New World, Four Square, Supervalu, and Fresh Choice

Most of NARGON's retail members are the owners of smaller stores but NARGON also has a number of associate members who are major suppliers of products and services to retail members. The submission is specifically made on behalf of the organisation's retail members for many of whom the sale of cigarettes and tobacco products still (despite restrictions imposed by an amendment to the Smoke-free Environments Act in 2001) constitute a considerable percentage of their sales revenue. Many NARGON members also find tobacco products to be a significant source of supplementary sales being items that draw customers into stores, where they often purchase additional goods - particularly in smaller stores.

2. RECOMMENDATION

That the Ministry of Health's proposals regarding the banning of tobacco retail displays in New Zealand are rejected by the government and do not subsequently reappear in legislative form.

3. DISCUSSION

NARGON's submission does not, for the most part, address the questions posed in the 31 March 2010 letter from Dr Ashley Broomfield given that variable circumstances mean many of these, being concerned with matters

such as cost, revenue and implementation times are impossible to answer with any hope of precision. Rather, the submission is directed to more general matters that NARGON considers should be taken into account before any further restrictions are imposed on the grocery retail industry, a low-margin industry that provides both essential services and a great many jobs. NARGON must, however, express concern that by their nature, many of the questions asked in Dr Broomfield's letter appear to be more in the nature of a fait accompli than suggestions for what might be contemplated in the future.

NARGON's members have responded positively to restrictions imposed to date on the sale of tobacco and tobacco products but what is now proposed would not only mean extra cost for store owners but would turn them into offenders were storage units to be inadvertently left open – which could easily happen, particularly at busy shopping times.

The latter possibility is the more concerning in that tobacco is not an illegal product. It is particularly offensive to contemplate criminalising a store keeper for supplying something legal that a customer requests because of a failure to comply immediately with an arbitrary statutory requirement.

It should be noted that Euromonitor International¹ already views New Zealand's tobacco market as one of the most strictly regulated in the world but nevertheless reports that in 2008 consumption continued to grow across cigarettes and cigars in terms of volume. This was in spite of a slow down in the economy towards the end of 2008, as well as the appearance of graphic health warnings on cigarette packaging.

The same website points out that over the years 2009-2013 anti-smoking initiatives are expected to continue actively with cigarettes and cigars projected to experience a consequent slow down. But if an economic downturn plus already strict legislation has not slowed consumption, more of the same will scarcely have any greater effect.

¹ http://www.euromonitor.com/Tobacco_in_New_Zealand

Smoking has a long history dating back to the years B.C. and there have been many previous attempts at prevention. (Hitler was a case in point.). It is probably also the case, as a recent article in The Dominion Post newspaper pointed out,² that it is easier to discourage non-smokers from taking up the habit than to stop many who currently smoke from doing so.

But unfortunately, for young people, smoking can provide elements of risk-taking and rebellion and ever stricter prohibitions may simply increase its attractiveness. Young people are often more susceptible to peer group opinion than to warnings from authorities. It is an observable fact that the illegality of marijuana and the P drug have not prevented their use. Concealment of a legal product is likely to have its own unintended consequences. It is also somewhat contradictory to make buying tobacco products an activity even more secretive than it is already while retaining the smoking messages no sales to the under 18s and 'Smoking Kills'.

4. CONCLUSION

For reasons such as those expressed under the 'Discussion' heading, NARGON believes the Ministry's proposals to be misguided and likely to fail to achieve what is expected of them while at the same time further penalising NARGON members both in terms of cost and offences. They are an example – there are many others – of responding to a perceived problem to no good effect. NARGON can understand the impulse behind what is proposed but views the initiatives as unlikely to do any more to discourage smoking than restrictions currently in place. Imposing penalties on minors who purchase tobacco products might achieve a result the Ministry would find acceptable but even that, as with the penalty on young people buying alcohol, is unlikely.

² A government hooked on tax revenue displays a special kind of lunacy, Grant Stevenson, Monday, 10 May 2010