

# Don't lower the price: Three effective ways to reduce the costs of smoking in New Zealand

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Associate Health Minister [Casey Costello](#) recently said she was

concerned about the [financial burden on people who smoke](#). She has requested advice on freezing the Consumers Price Index (CPI) adjustment applied annually to tobacco products, according to a leaked Ministry of Health document.

But is this really the best option to reduce the cost of smoking?

Costello's proposal attracted considerable criticism, not least because the rising price of tobacco is well established as the [most effective tool](#) currently used to reduce [tobacco use](#).

An [Ernst Young report](#) commissioned by the Ministry of Health found:

"There is strong evidence, both international and from within New Zealand, that demonstrates changes in consumer behavior as a result of the tax increases –reducing uptake, cutting down consumption and increasing quit attempts, with spikes in quit attempts around January each year in New Zealand."

The minister is right to be concerned about people who smoke and the enormous drain smoking imposes on their health, well-being and finances. But freezing the excise tax on tobacco products won't ease those costs.

If the minister is serious about reducing the financial and other costs of smoking, here are three tips that will help her achieve her goal.

## **Leave the CPI adjustment alone**

For people who smoke a pack a day, freezing the CPI adjustment means they will save around NZ\$12 a week or \$730 a year.

But if those people quit smoking, they would save \$35–\$50 a day, or

around \$13,000 to \$15,000 each year. The most important thing that will ease the financial cost for people who smoke is to help them stop smoking—freezing the tobacco excise tax will actually make quitting less likely.

## Examine what makes it so hard to quit

We know most people who smoke regret having started and want to quit. [Our study](#) of more than a thousand people who smoke found 74% regret having started, 84% would like to stop smoking, and 81% have tried to stop smoking.

Given this very strong desire not to smoke, what's preventing people from realizing their goal? The answer is simple: addiction. Nearly 90% of people who smoke said they are somewhat or very addicted to smoking.

Tobacco companies have manipulated cigarette nicotine content and the speed with which nicotine is delivered to [make smoking highly addictive](#). However, it's now possible to [remove most of the nicotine](#) from tobacco.

[Research](#) shows people who smoke very low-nicotine cigarettes cannot smoke enough to get a satisfying dose of nicotine, so they lose interest in smoking and smoke fewer cigarettes.

A [recent review](#) found low-nicotine cigarettes increased the likelihood of smoking cessation among all population groups. This includes people with psychiatric comorbidities or [low socioeconomic status](#)—the group Minister Costello is particularly keen to assist. It will also minimize the likelihood of young people starting smoking.

Aotearoa New Zealand is ready to implement denicotinisation (reducing

the levels of nicotine in [tobacco products](#)). A [modeling study](#) predicted this move would bring profound, rapid and equitable reductions in smoking prevalence. However, the new government has announced plans to repeal the smokefree law that mandated denicotinisation.

## Use tax revenue for community support

Because smoking is a [social practice](#), many people may find quitting support helpful, even when only low-nicotine cigarettes are available.

Minister Costello has an opportunity to use the tax revenue generated by tobacco sales to support smoking cessation. For example, allocating funds generated by tobacco sales would enable her to increase funding for services that support people who smoke to quit.

Additional targeted support could be particularly helpful to groups that bear a disproportionate portion of the harms caused by smoking.

Community support has a crucial role to play, as people with local knowledge understand the needs of fellow community members and can respond with tailored advice.

The minister doesn't have to reinvent the wheel or replace the current evidence-based approach. Several measures that would minimize the enormous burden smoking imposes on thousands of people are ready for implementation—starting with the [Smokefree Aotearoa 2025 Action Plan](#).

The government should also abandon its plans to repeal New Zealand's smokefree legislation. The measures this law introduces could profoundly reduce the many costs smoking imposes on those who do it. Furthermore, it would benefit the very people whose plight troubles the minister.

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