

*Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill — First Reading, Second Reading, Third Reading - 28 April 2010*

Hon Sir ROGER DOUGLAS (ACT): I start by congratulating the Associate Minister of Health on the reasons she gave for introducing the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill. The reasons she gave to justify the increase were based on health improvements for those who quit smoking as a result of this bill, and I believe that in essence that is the only way we can justify this particular legislation. She did not attempt to bring in other claims that the money raised would off-set the costs incurred by smokers or to the public health system, etc., and it is good that she was up front and honest in that respect. Having said that, there are a number of reasons why some ACT members—not all ACT members—will vote against this bill.

Essentially the legislation is not really good public policy. It is very much a tax on the poor. Cigarette taxes are highly regressive, and they disproportionately hurt poor people—poor smokers, that is, who continue to smoke. I guess the Minister would say that to the extent poor smokers do not smoke, she has made them better off. But that is at the expense, I might add, of poor smokers who continue to smoke. I think we need to think a little bit about that. The fact is that we cannot justify this measure, as some people might want to, on the basis that smokers are not paying for the costs of the extra health care that they or others receive; they are already paying more in tax than the costs incurred. A report in 2007, showed tax income was, I think, \$980 million, and the expenditure was \$350 million.

Dr Paul Hutchison: No, that is wrong.

Hon Sir ROGER DOUGLAS: Well, I will quote—and these are hardly biased people. The report I am holding is from the Smokefree Coalition and Action on Smoking and Health (ASH). I am quoting their document, and I do not think they would underestimate these figures. The report states: “Without trying to calculate a precise estimate of ‘external costs’ it does seem reasonably apparent that the tax contribution of approximately \$1 billion annually by smokers exceeds substantially the external costs of smoking ...” etc. I do not want to place too much weight on that, but it seems to me that what it really comes down to is that we have to weigh up the benefits that might flow from this bill against the individual freedom of adults to make decisions for themselves. We also have to weigh up whether the objectives of the bill can be achieved in other ways.

It seems to me that the “I know what’s best for you” mentality is running out of hand in this legislature. Price increases aim to restrict the freedom of New Zealanders, especially the poor, to make their own choices on whether they smoke. We run campaigns and we try to influence them. We say that that approach has not worked as well as we had hoped, and therefore we will put up the price to a point where people cannot afford it. If we are going to do that, why not put it up by 600 percent? Why only 10 percent this year, 10 percent next year, and 10 percent the year after that? There is no logic. If that is the logic we are going to follow, why not put it up 500 or 600 percent? We would fix it at that point in time.

I guess why I come down against this legislation, and it really worries me, is that political life in this Chamber seems to be dominated by the view—held by many politicians in the

National Party, the Labour Party, the Green Party, and the Māori Party—that the purpose of Government is to solve private problems. That is what we are doing. We say that some New Zealanders smoke too much, and therefore we are going to put up the price of tobacco. The problem with that approach is that our flight from individual responsibility never ends; in this country over the last 20, 30, and 40 years we have seen a substantial flight from individual responsibility. I have praised the Minister, but it seems to me that the Māori Party runs the danger of affluent Māori being seen to be telling poor Māori that they are unable to make their own decisions. I think that a lot of Māori people and a lot of Pākehā people who are poor know what they are doing, and they make those choices. They may make them wrongly in our view, but in my view they have the right to do so.