

What are the Most Plausible Tobacco Endgame Strategies for Achieving the Government's Smokefree 2025 Goal?

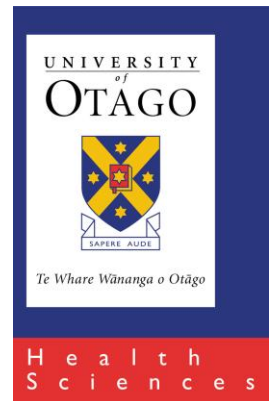
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Background & Methods

Modelling work^(Ikeda et al) suggests that to achieve the National Smokefree 2025 Goal – NZ may need:

- A new over-arching core approach

Methods: Reviewed relevant literature; Attendance (NW) at a June 2012 workshop on tobacco endgames (University of Michigan, USA).

Options Selected

1. Large ongoing tobacco tax increases
2. Sinking lid on tobacco supply
3. Nicotine phase-down

Probably less relevant for NZ:

- Regulated market model (Borland)
- Smokers licence (Chapman)

Option 1 – Large Ongoing Tobacco Tax Increases

Advantages:

- Recently established pattern in NZ of series of increases (albeit modest – 10%)
- Well understood politically – few surprises
- Low risk of litigation by the industry compared to other options.

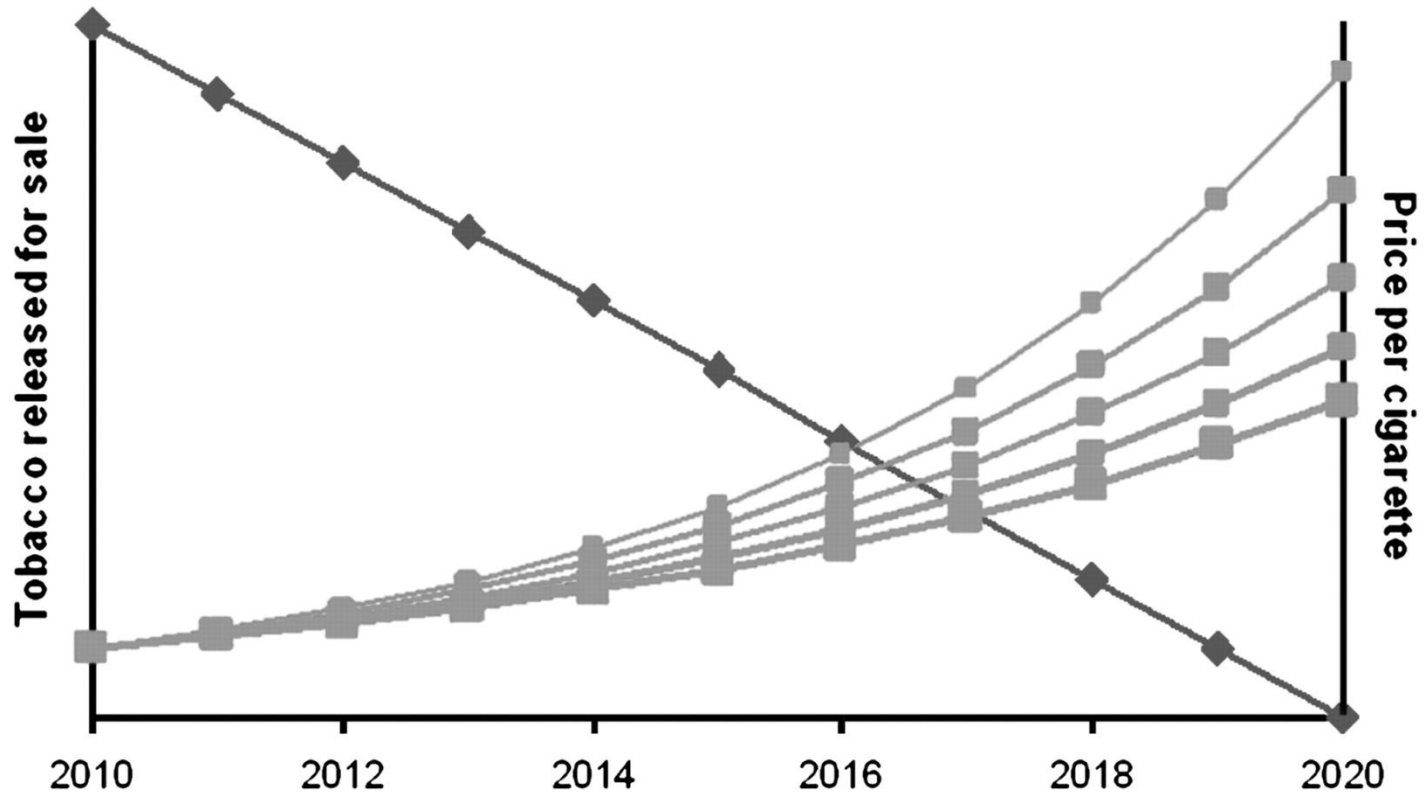
Tobacco Tax Increases (contd)

Disadvantages:

- Adverse financial impact on disadvantaged smokers (can be partly addressed).
- Endpoint to increases unclear – but could be the price of cannabis (eg, \$10 per gram)
- As for all price interventions: illicit sales/smuggling risks
- Loss of political support if seen as a tax grab (if no dedicated tax)?

Option 2 – Sinking Lid on Tobacco Supply

- Annually reducing quota of tobacco supplied to a national market (eg, to zero in 10 years).
 - Would require a law that enabled a government to:
 - o Run auctions for (reducing) annual quota to tobacco companies (as per annual EPA pollutant permit auctions for SO_2 , NO_x ; some fishing quota systems).
- Or:**
- o Enforce annual % reductions for each tobacco company's quota (from baseline market share).



- At the final point, any residual nicotine dependent individuals (some possible options):
 - switch to NRT / minimal harm nicotine sources
 - grow-your-own tobacco (within legal limits)
 - licensed smoker system (government supplied tobacco)?

Sinking lid – Advantages

- Can be linked to a **defined end-date** for all sales – helps focus the health sector & smokers can't easily self-exempt.
- **Good analogies** that work (reducing quota & air pollutants, fishing quota, phased elimination of leaded petrol)

Sinking lid – Disadvantages

- Passing the **enabling law** – a large hurdle facing tobacco industry opposition
- Risk of **auction rigging** and collusion between companies
- Risk of **supply disruptions near end** (companies pull out early?)
- Others as per tax (eg, smuggling, impact on disadvantaged smokers)

Option 3 – Nicotine levels phase-down (all tobacco)

Advantages:

- Focuses on the key driver of dependence
- Some support from small experimental studies (Benowitz et al)
- Gradual impact – no sudden shock to smokers

Nicotine phase down (Contd)

Disadvantages:

- High uncertainty & insufficient information (needs much more research)
- Would probably need a new law – intense industry opposition likely
- Risks of industry subverting the process with product modifications

Conclusions

- **3 possible strategies** – many different advantages / disadvantages
- **Continuous tax rises** probably the easiest for a NZ Government to adopt (and has momentum in NZ).
- **More research** is ideal eg, policy barriers to dedicated tobacco tax; sinking lid, licensing or nicotine phase-down in:
 - a small island (eg, Stewart Island)
 - a military base or the crew of a frigate
 - a virtual world