



MEDIA RELEASE

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Experimental smoking bill will force over 4,000 dairies into closure

An Imperial Brands survey of 1,000 dairy owners has found that 55% of dairies will lose half of their total revenue if they cannot sell smoked tobacco products to their customers. This will force 51% of New Zealand's 8,000 dairies and small retailers to close.

According to the survey, dairies on average employ two or more people per store. If 51% close, that would equate to more than 8,000 people losing their jobs.

Brad Topp, Imperial Brands Market Manager for New Zealand and Pacific Islands, said the survey showed dairies and retailers will bear a huge financial toll if the Smokefree Bill is passed.

"Dairies and small retailers are already in a very vulnerable situation. Thin margins are getting squeezed as dairies deal with a crime emergency and a cost-of-living crisis.

"An ill-thought ban on sales of legal tobacco is going to put them out of business. This is the message we're hearing every day from our dairy and retailer distributors. They're hurting and they're confused as to why they're being punished.

"If dairies close, communities lose their last business. That is a terrible outcome for the owners, their staff, and the communities they serve.

"Dairies are willing to transition to other revenue streams and we wholly support them to do this, but it will take time. The Smokefree Bill forces change on dairies, and indeed smokers, that they are unprepared for and will carry heavy, unwanted consequences.

"For example, the Minister has said she wants regulations to reduce nicotine in smoked tobacco to 1/1000th of a conventional cigarette. This will in effect put 385,000 adult smokers into forced withdrawal, many of whom won't want or aren't ready to quit. Some may of course do so, and some may transition to less harmful vaping, while others will be forced into the black market.

"There is simply too much uncertainty about the real-world consequences of experimental policies such as a mandate for very low nicotine cigarettes. They've never been tried before, at scale, in the world.

"Lawmakers on the select committee have been warned of these by global and New Zealand tobacco harm reduction experts who argue for compassion to be shown to smokers.

"Unfortunately, lawmakers appear overly reliant on modelling that's been discredited and clinical studies that make exaggerated claims on the applicability of mandating very low nicotine in the real world.

"We hope lawmakers proceed with extreme caution and make decisions based on empirical evidence and what a century's worth of addiction science has taught us."

Editor's note: regional splits of responses to survey are available on request.

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