



**Tourism  
Industry  
Association  
New Zealand**

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Zealand**

**Comments to the**

**Health Select Committee**

**on the**

**Smoke-free Environments (Enhanced  
Protection) Amendment and  
Supplementary Order Paper**

**November 2001**

## **About Our Association and Industry**

The Tourism Industry Association New Zealand (TIANZ) represents the interests of over 3,500 business in the tourism industry.

Tourism is a \$9 billion industry and generates 15.8% of New Zealand's exports. The tourism industry employs 1 in 12 New Zealanders in a diverse range of businesses – the majority of which are small and medium sized enterprises. Not only is tourism important because of its size. It is also:

- Highly employment intensive;
- Regionally dispersed;
- Has the flexibility to change its target markets quickly as conditions change;
- Can offer a good return on investment.

We welcome opportunity to comment on the Smokefree Environments (Enhanced Protection) Amendment Bill.

## **Overall Comments**

TIANZ states at the outset that it recognises the importance of a smoke-free framework to both employers and employees, and for society at large. It is now clear that 'passive smoking' has a very real and detrimental effect on those who choose not to smoke.

Non-smoking employees working in environments where smoking is prevalent require particular consideration and protection.

At the same time, we believe the Select Committee should be mindful of the impacts that such a framework might have on the business sector. TIANZ believes that legislation must be crafted that protects employees, and the rights of non-smokers, while ensuring that businesses generating useful economic activity are able to continue to operate without unreasonable hindrance.

TIANZ's submission focuses on some unintended consequences of the Supplementary Order Paper (SOP) to the accommodation sector, in particular, to large accommodation providers.

## **Unintended Consequences of this Amendment Bill**

### **Smoking in Rooms**

There are technical details within the SOP that might affect the ability of major accommodation providers to provide rooms in which smoking is permitted.

In most hotels, rooms are not ventilated separately. This means that the SOP would regard hotel rooms as “common airspace” by definition. Hotel rooms are also workplaces for some people i.e, room service staff and cleaners and other employees. We are concerned that clause 2 of the SOP and the new sections 5A and 5B would result in large accommodation complexes being captured under the definition of ‘common airspace’. A consequence is that if one employee, at any time, objects to smoking in rooms designated as ‘smokers rooms’, the employer would not be able to allow smoking in those rooms.

## **Potentially Significant Impact on Important Tourism Markets**

TIANZ is concerned at the business implications of such legislation. From a local perspective, an accommodation provider that was not able to offer ‘smokers rooms’ would lose business to other properties that were able to offer accommodation that did not fall into the definition of ‘common airspace’. From an international perspective, if a number of accommodation providers were prevented by this legislation from being able to offer ‘smokers rooms’, New Zealand’s ability to attract some overseas tourists who do smoke could be severely affected.

In Appendix One, TIANZ has calculated an estimate of the expenditure of overseas visitors to New Zealand, who smoke, from key overseas markets. While these figures are based on a number of assumptions, they provide a ‘snap-shot’ of the size of the market that could be affected by the unintended consequences of this Amendment Bill. Our figures significantly understate the potential market that could be impacted by this Amendment Bill, as we have only included key markets with readily available figures in our analysis.

This analysis shows that:

- The visitors to New Zealand who smoke clearly make an important contribution to the New Zealand economy.
- Our analysis of the value of the key markets shows that visitors, who smoke, from these markets are likely to contribute in excess of \$1.3B annually to the New Zealand economy. Given the assumptions that we have used in our analysis, this figure probably understates the true value of the ‘smokers’ market.
- Some markets in our analysis that have a high prevalence of smoking (especially Japan, Thailand and Singapore) have a high rate of visitor expenditure per visit. This makes ‘smoker’ visitors from these countries especially valuable to New Zealand.

## **In Summary**

TIANZ is concerned that this Amendment Bill could prevent accommodation providers from providing accommodation suitable for smokers, given that this market is so valuable to the tourism sector.

TIANZ believes that it is not the intention of the SOP to have such wide-spread consequences, nor was it especially designed to target accommodation providers.

TIANZ recommends that this issue be investigated further by the Committee and that an addition to clause 2 is made to make it clear that the SOP does not apply to rooms in accommodation establishments.

This would ensure that accommodation providers could continue to provide 'smoke-free' or 'smokers' rooms for their clients, while preventing the consequences of passive smoking in areas that are genuinely in 'common airspace'.

TIANZ wishes to speak to this submission before the Select Committee.

*Tourism Industry Association New Zealand (TIANZ)  
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Signed

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## Appendix One

ESTIMATED TOTAL ANNUAL EXPENDITURE OF VISITORS THAT SMOKE FROM KEY MARKETS				
MARKET	NO. OF VISITORS P.A	EST. NUMBER OF VISITORS WHO SMOKE	EXPENDITURE PER VISIT	TOTAL EXPENDITURE OF VISITORS WHO SMOKE ('000)
Hong Kong	30,835	10,329	\$2,852	\$29,458
Japan	163,316	59,610	\$4,318	\$257,395
South Korea	83,119	31,044	\$2,193	\$68,079
Malaysia	21,718	4,886	\$2,447	\$11,956
Singapore	34,633	6,008	\$4,495	\$27,005
Taiwan	38,146	12,969	\$3,716	\$48,192
Thailand	23,591	6,250	\$3,956	\$24,775
Australia	633,315	158,327	\$1,725	\$273,114
Germany	54,039	15,751	\$4,076	\$64,201
Netherlands	25,402	8,255	\$3,727	\$30,766
United Kingdom	212,275	57,313	\$3,610	\$206,899
Canada	36,706	11,011	\$3,680	\$40,520
United States	193,962	50,041	\$4,469	\$223,633
TOTAL	1,551,057	431,794*		\$1,305,993

### Sources:

- Visitor numbers and visitor expenditure data was taken from Tourism New Zealand visitor information. Visitor numbers are for the year ending September 2001. Visitor expenditure data is for the year ending June 2001.
- Smoking prevalence rates were taken from 1996 World Health Organisation data. The number of visitors that smoke was calculated by dividing total visitors from each country into two (male and female) and applying that country's smoking prevalence rate to the two figures. This approach takes into account the different smoking prevalence rates for men and women in each country.
- Smoking prevalence rates for Hong Kong and Taiwan were not available. Smoking prevalence rates for China were used to estimate the smoking prevalence rate for Hong Kong and Taiwan.

### Assumptions:

- Equal number of men and women from each country visit New Zealand. In reality, this is not the case. TIANZ sources suggest that more men than women from this group of countries visit New Zealand. Therefore, our assumption would

tend to understate figures, given that men in all our selected countries have higher rates of smoking than women.

That all non-smoker visitors would select 'non-smoking' accommodation and all smoker visitors would select 'smokers' accommodation. Given that some non-smokers will be travelling with partners that do smoke, our assumption would tend to understate impacts, ie. non-smokers would want to stay in a 'smokers' room with their partners who do smoke.