

Merrin Thompson - economic effects

From: Simon Chapman <simonchapman@health.usyd.edu.au>
To: Merrin Thompson <Merrin.Thompson@parliament.nsw.gov.au>
Date: 24/03/2006 9:03:56 am
Subject: economic effects

Dear Merrin -- as promised, here is some extra information:

Scotland will become the sixth European country to be smoke free next Sunday 26th March 2006, following the example of Ireland, Norway, Italy, Malta and Sweden.

England will be smoke free next year after a historic vote in the Parliament last month. In France the support to become smoke free is growing after the release of (a 151 pages) an official report of IGAS, which recommended last month that the best solution is a complete ban in all public places in France.
<http://www.ladocumentationfrancaise.fr/rapports-publics/064000239/index.shtml>

Yesterday a new report was released in the European Parliament "Lifting the Smoke-screen - 10 reasons for a smoke-free Europe" which was an initiative of ERS, INCA and Cancer Research UK. This report is just excellent and without any doubt, the most complete European report in this field. You can download the report on
<http://www.ersnet.org/ers/default.aspx?id=4577>

Where smoke free policies have been introduced, at least three out of every four people support them. Compliance rates are high. In Norway, 94% of respondents reported that they were seldom or never exposed to tobacco smoke in bars and restaurants following the legislation in December 2004 compared with 56% the previous year.

The policy has become more popular since its introduction in New York, Ireland, Norway and New Zealand (See chart, Chapter 4, page 99, Figure 8, top). In Norway, popularity increased from 47% before the law was introduced to 58% afterwards. Support has also increased in Italy. Tobacco companies have always claimed that a smoking ban in bars and restaurants would have a negative impact on business and lead to fewer sales and less employment.

Independent and reliable research on the financial impact of smoke-free policies in the hospitality industry provides evidence that counters the tobacco industry's economic claims.

A review of the literature by Scollo and colleagues of almost 100 studies, produced before 31 August 2002, from Canada, UK, USA, Australia, New Zealand, South Africa, Spain and Hong Kong, failed to find a negative impact or a positive effect in studies based on objective and reliable measures.
<http://tc.bmjournals.com/cgi/content/full/12/1/13>

Other information on the effect of recent smoking bans in [New York \(2004\)](#), [Ireland \(2004\)](#), [Norway \(2004\)](#) and [New Zealand \(2004\)](#) has not shown a negative impact on business.

"The truth is that there is no country or state which experienced negative economic impact after a smoking ban in bars and restaurants"

Interesting is the trend on sales in pubs in Ireland. The volume of sales in bars in Ireland increased until 2001, but decreased by 2.8% in 2002, 4.2% in 2003 and 4.4% in 2004. Prior to the ban, drinking habits in Ireland had already changed. New data released by the Central Office of Statistics last week showed that the declining trend of sales in pubs has stopped in 2005 and increased slightly with 0,1% in 2005. http://www.cso.ie/releasespublications/documents/services/current/rsi_retrospective1.xls

Retail sales index (annual)
bars volume in Ireland. 2000=100

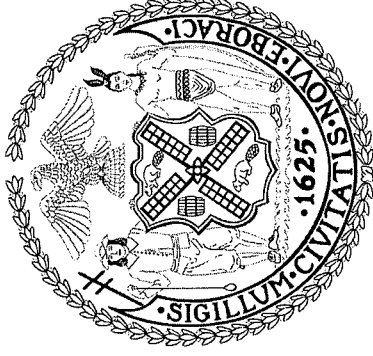
<!--[if !supportLists]-->•	<!--[endif]-->	2000	100
<!--[if !supportLists]-->•	<!--[endif]-->	2001	100.5 (+0,5%)
<!--[if !supportLists]-->•	<!--[endif]-->	2002	97.6 (-2,8%)
<!--[if !supportLists]-->•	<!--[endif]-->	2003	93.5 (-4,2%)
<!--[if !supportLists]-->•	<!--[endif]-->	2004	89.4 (-4,4%)
<!--[if !supportLists]-->•	<!--[endif]-->	2005	89.5 (+0,1%)

See also the attached presentation

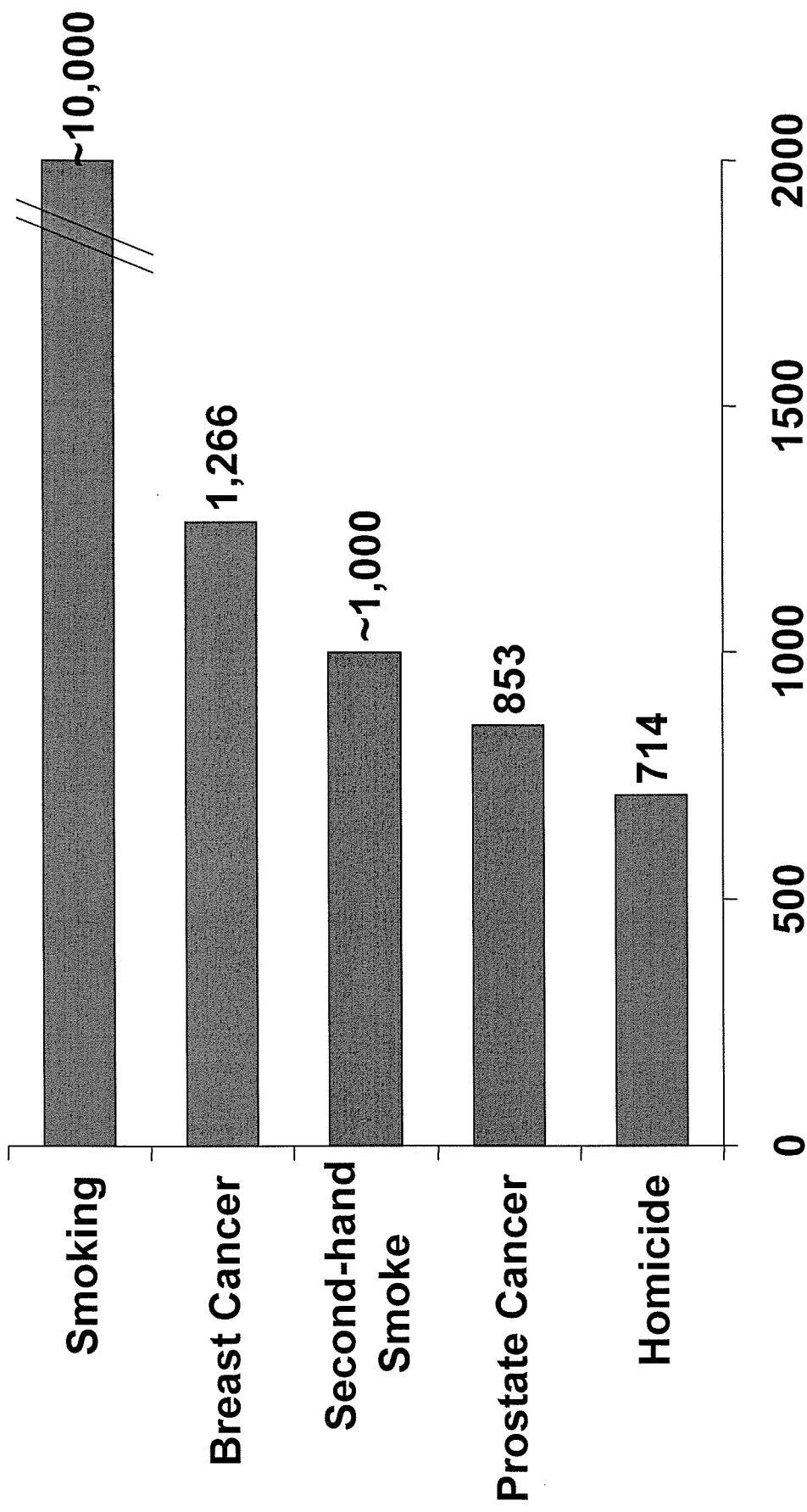
Simon Chapman
Professor
School of Public Health
Building A27, University of Sydney
NSW 2006, AUSTRALIA
ph (+61-2) 9351 5203, fx (+61-2) 9351 7420
mobile: 0438 340 304
email: simonchapman@health.usyd.edu.au
Homepage: www.health.usyd.edu.au/tobacco
Editor: Tobacco Control (www.tobaccocontrol.com)

"Not everything that can be counted counts, and not everything that counts can be counted"
Albert Einstein

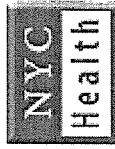
**Smoke-Free Workplace
Legislation Will Save Lives
– and It Won't Hurt
Business**



Tobacco is the Leading Epidemic of Our Time – and Second-Hand Smoke also Kills



NYC Deaths – Year, 2000



Source: New York City Department of Health, Summary of Vital Statistics, 2000.

Food Service Workers Have the Highest Risk of Harm from Second-hand Smoke

- Only 1 in 5 food service employees work in a smoke-free environment
- Working an 8-hour shift, bartenders inhale the same amount of carcinogens as if they smoked more than ½ pack of cigarettes
- Bar and restaurant workers face a 50% greater risk of lung cancer than other workers

Sources: Gerlach, K. et al. "Workplace Smoking Policies in the US," *Tobacco Control*, 1997; Seigel, M. "Smoking and Restaurants: A Guide for Policy-Makers," 1992; Siegel, M. Involuntary smoking in the restaurant workplace: a review of employee exposure and health effects. *JAMA*, 1993.



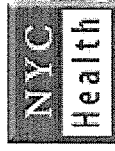
NYC's Current Law Fails to Ensure Safe Workplaces

- Smoking permitted in:
 - Bars and bar areas of restaurants
 - Restaurants ≤ 35 seats
 - Bingo parlors
- Smoking permitted with separate areas:
 - Private offices (≤ 3 workers) if all occupants agree
 - Bowling alleys, convention halls, performance halls
 - Workplace smoking rooms

An Effective Smoke-Free Workplace Law Will Save >11,000 Lives in NYC

- One million New York City workers are not protected from second-hand smoke
- ~ 800,000 are non-smokers
 - Smoke-free workplace legislation will protect 400,000 of these non-smokers from exposure
 - This will prevent at least 4,000 early deaths
- ~ 200,000 are smokers
 - 20-40,000 will stop smoking as a result of smoke-free workplace legislation
 - This will prevent at least 7,000 more early deaths

Sources: Smoke-free workplace estimates from Patten CA et al. "Workplace smoking bans and employee smoking behavior in California." Tobacco Control 1995; 4: 36-41. Tax increase estimate from CDC. "Response to Increases in Cigarette Prices by Race/Ethnicity, Income, and Age Groups. MMWR 1998 47: (29) 605-10.



Smoke-Free Workplace Laws Do Not Harm Businesses

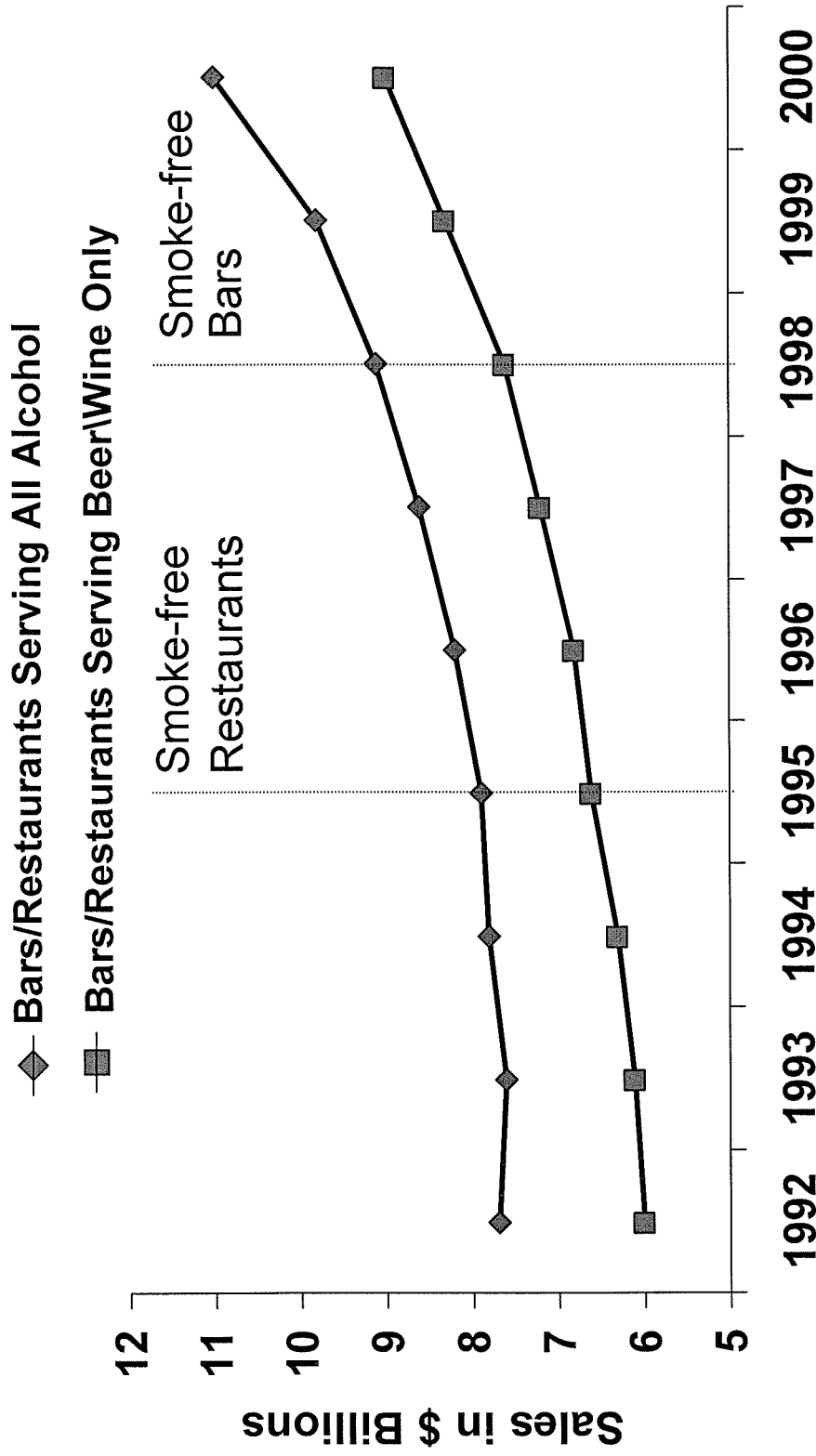
“...the economic arguments often used by the industry to scare off smoking ban activity were no longer working... These arguments simply had no credibility with the public, which isn't surprising when you consider that our dire predictions in the past rarely came true.”

Philip Morris

Source: Philip Morris Internal Document



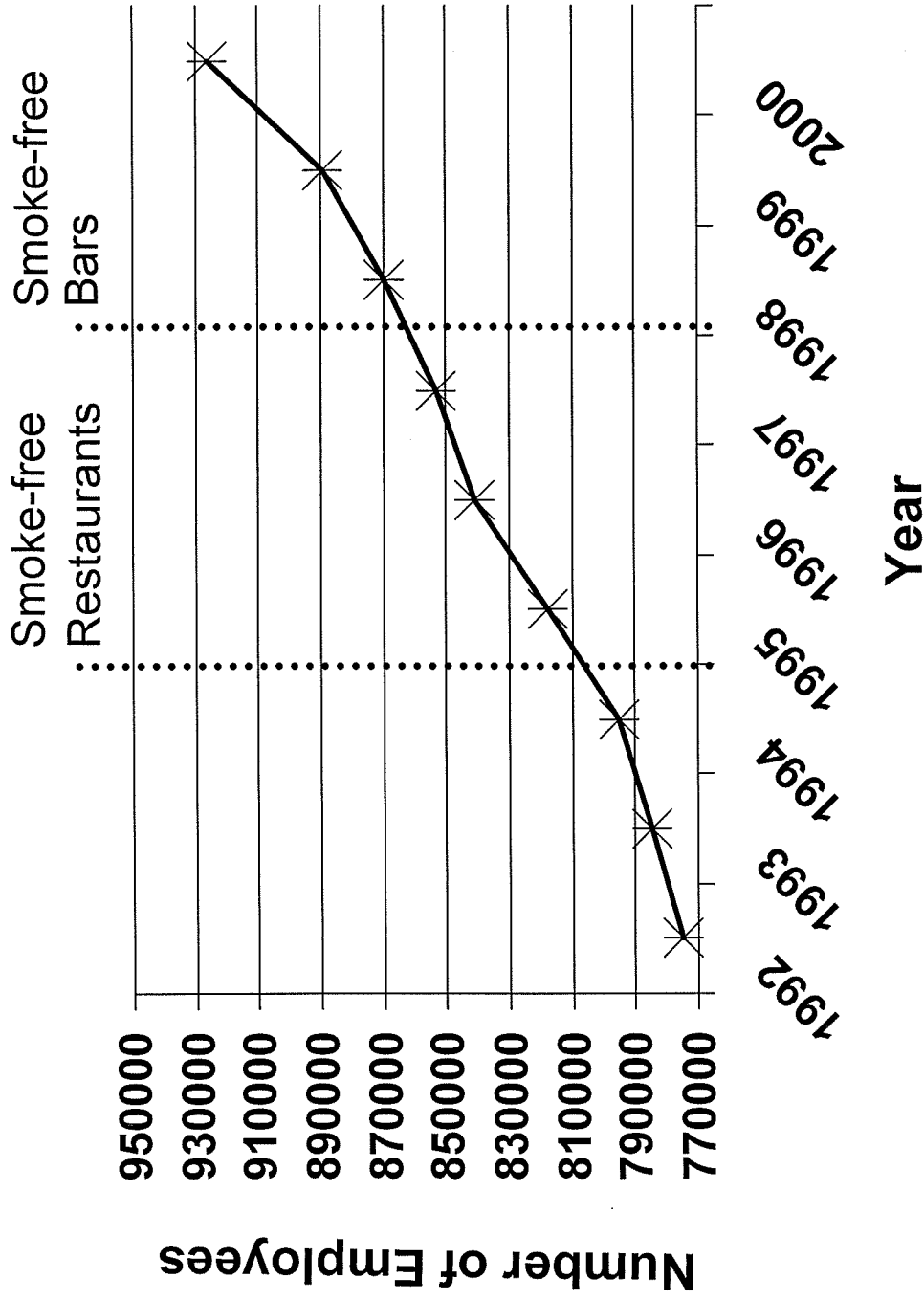
Smoke-Free Workplace Laws Aren't Bad for Business – Sales



Taxable sales in California
Source: California Board of Equalization.



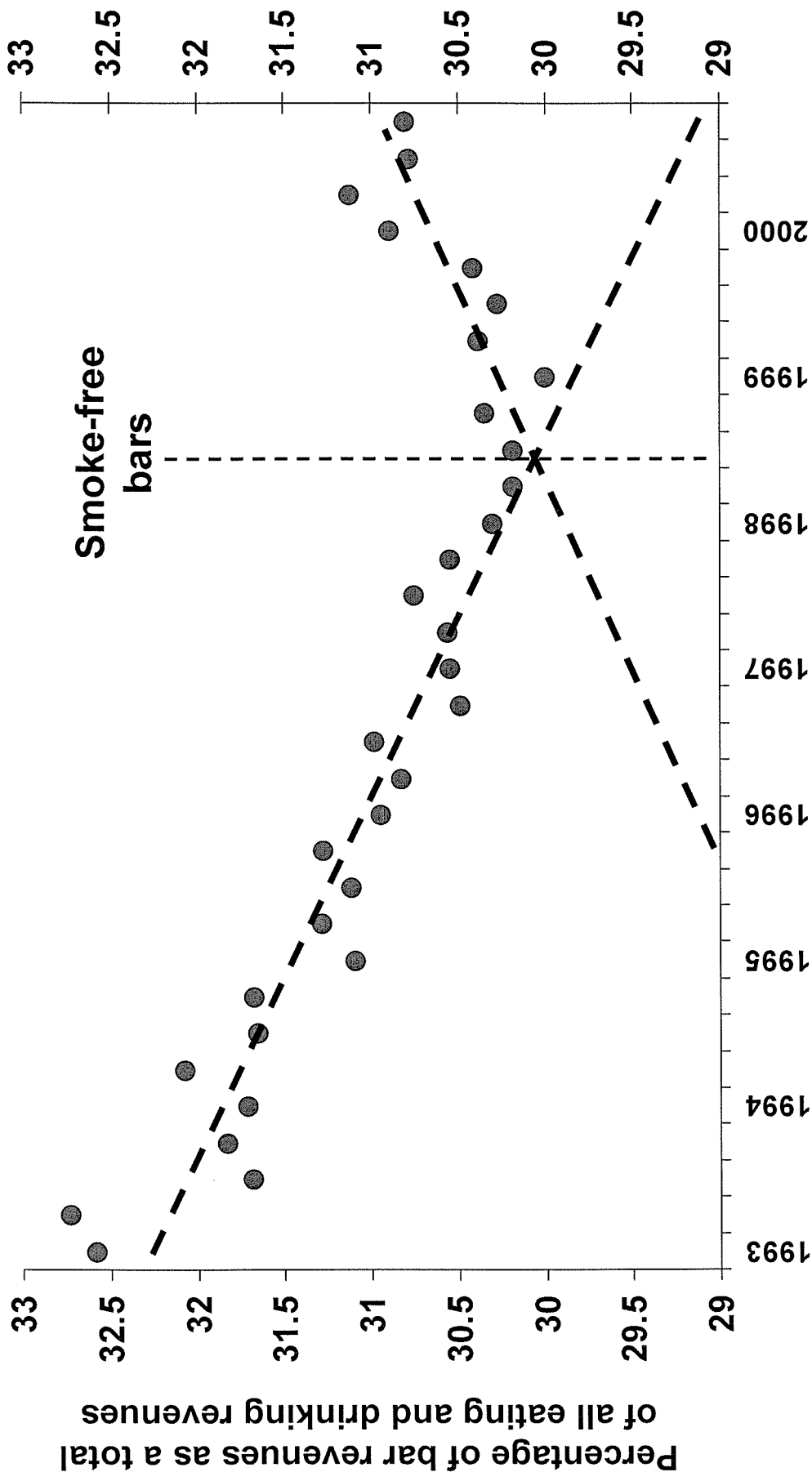
Smoke-Free Workplace Laws Aren't Bad for Business – Jobs



Source: State of California, Employment Development Department, Labor Force Statistics, April 2001



Bars Gain Market Share After Going Smoke-Free



Source: California State Board of Equalization



Objective Measures Indicate that Smoke-Free Laws Don't Hurt Business

26 well-designed studies found either no effect or a positive effect on economic measures after the implementation of smoke-free laws in restaurants and/or bars

MEASURES

- Taxable sales receipts
- Other sales data
- Employment levels
- Number of establishments

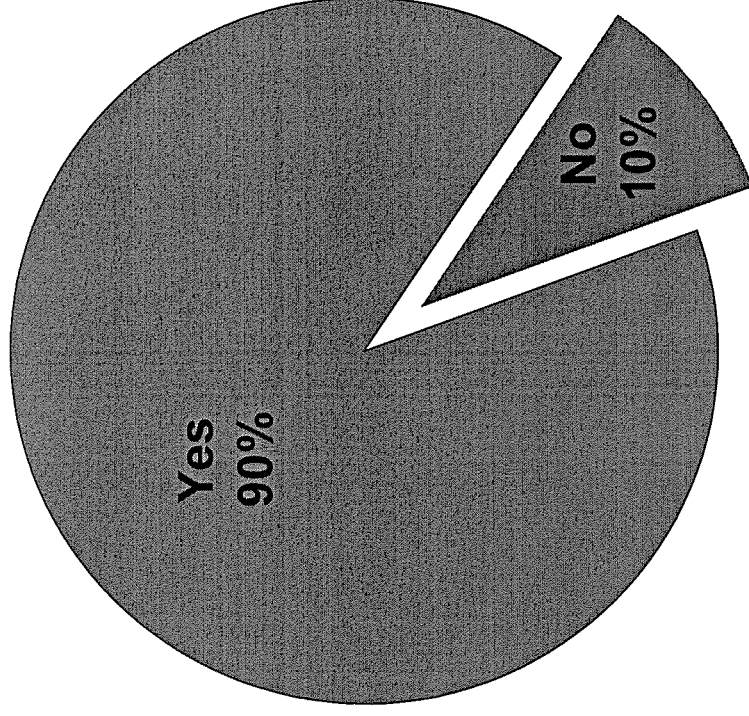
JURISDICTIONS

- Arizona
- California
- Colorado
- Massachusetts
- New York City
- Wisconsin
- North Carolina
- Canada
- South Australia



Restaurateurs Recognize that Smoke-Free Workplaces Improve Worker Health

Do you think that going smoke-free has had a positive effect on the health of your workers?



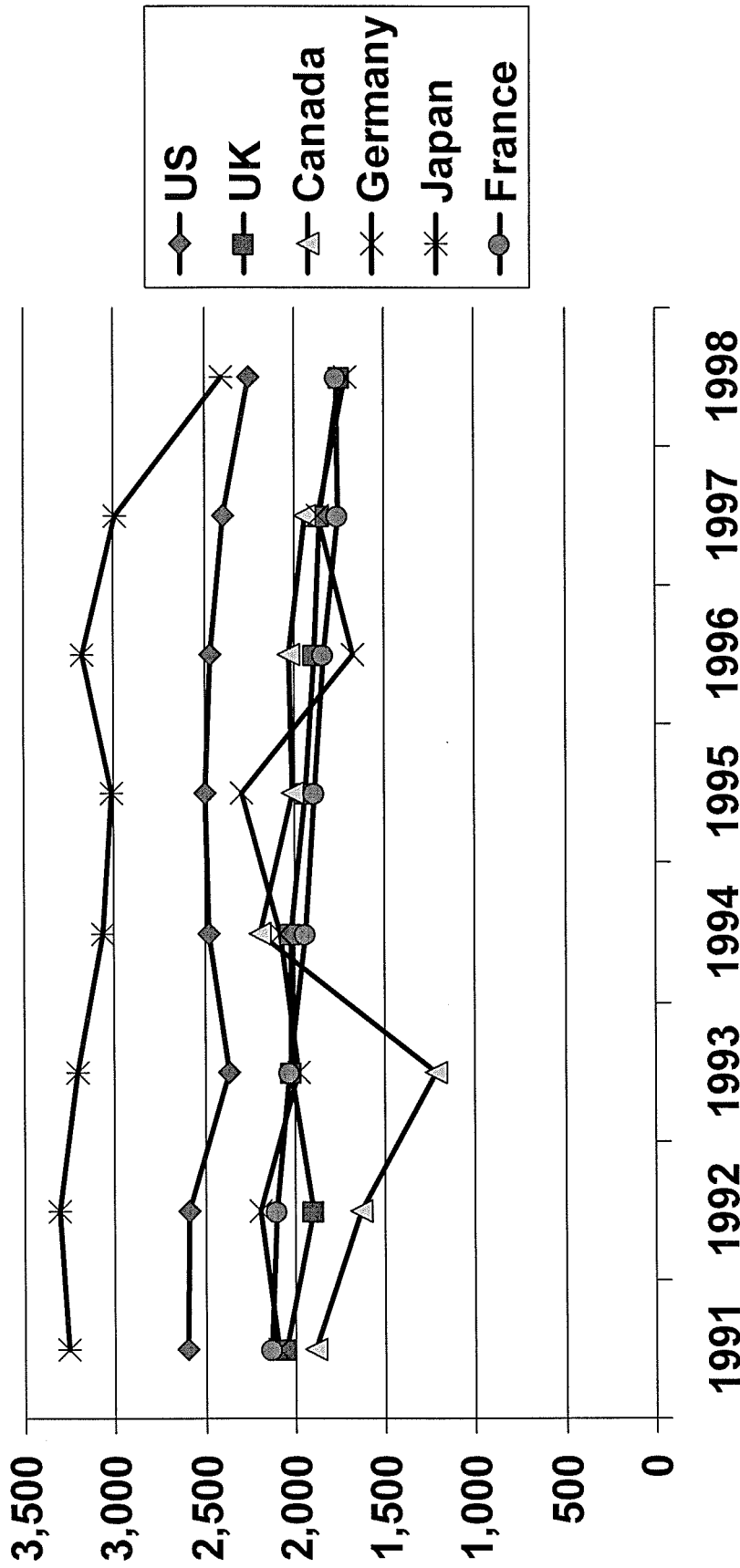
Los Angeles & San Francisco

Source: NYCDOH Survey of 40 Los Angeles and San Francisco Restaurants, 2002.



Smoke-Free Workplace Laws Aren't Bad for Tourism

(per capita tobacco consumption is lower in most visitors' countries)



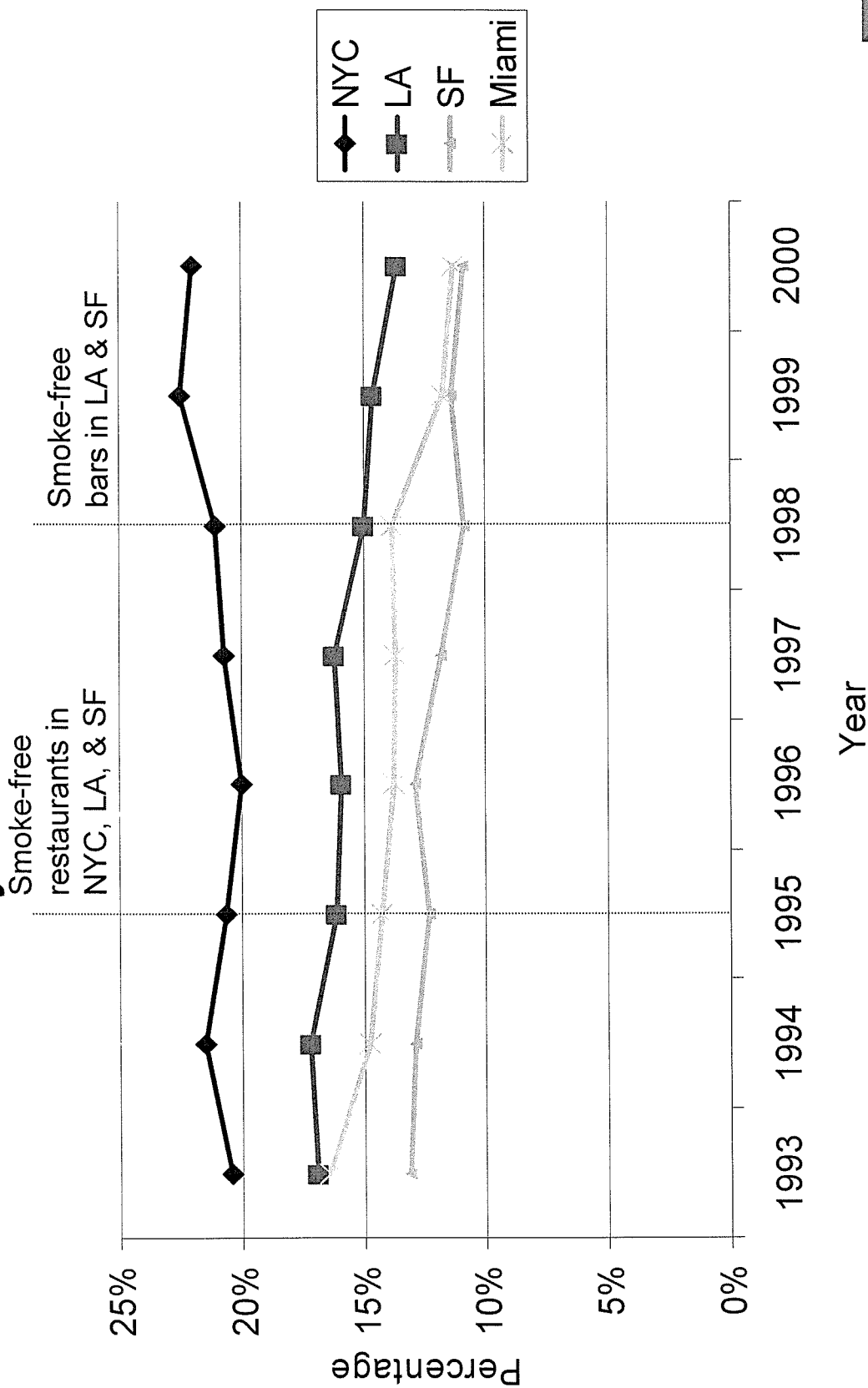
Source: Centers for Disease Control and Prevention.



There is No Relationship between Smoke-Free Policies and International Travel

US Cities Visited by International Travelers: 1993-2000

US Cities Visited by International Travelers: 1993-2000

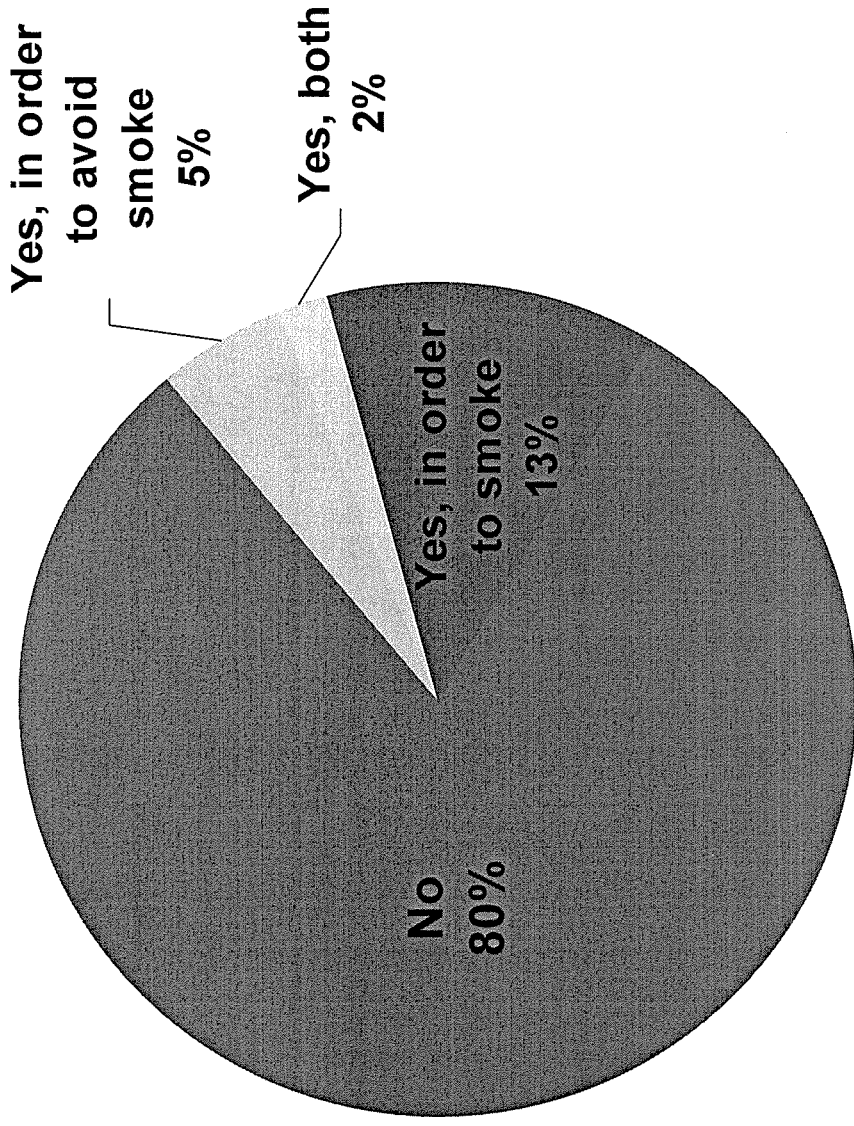


Source: Office of Tourism, International Trade Association, US Department of Commerce, ITA Survey of International Air Travel.



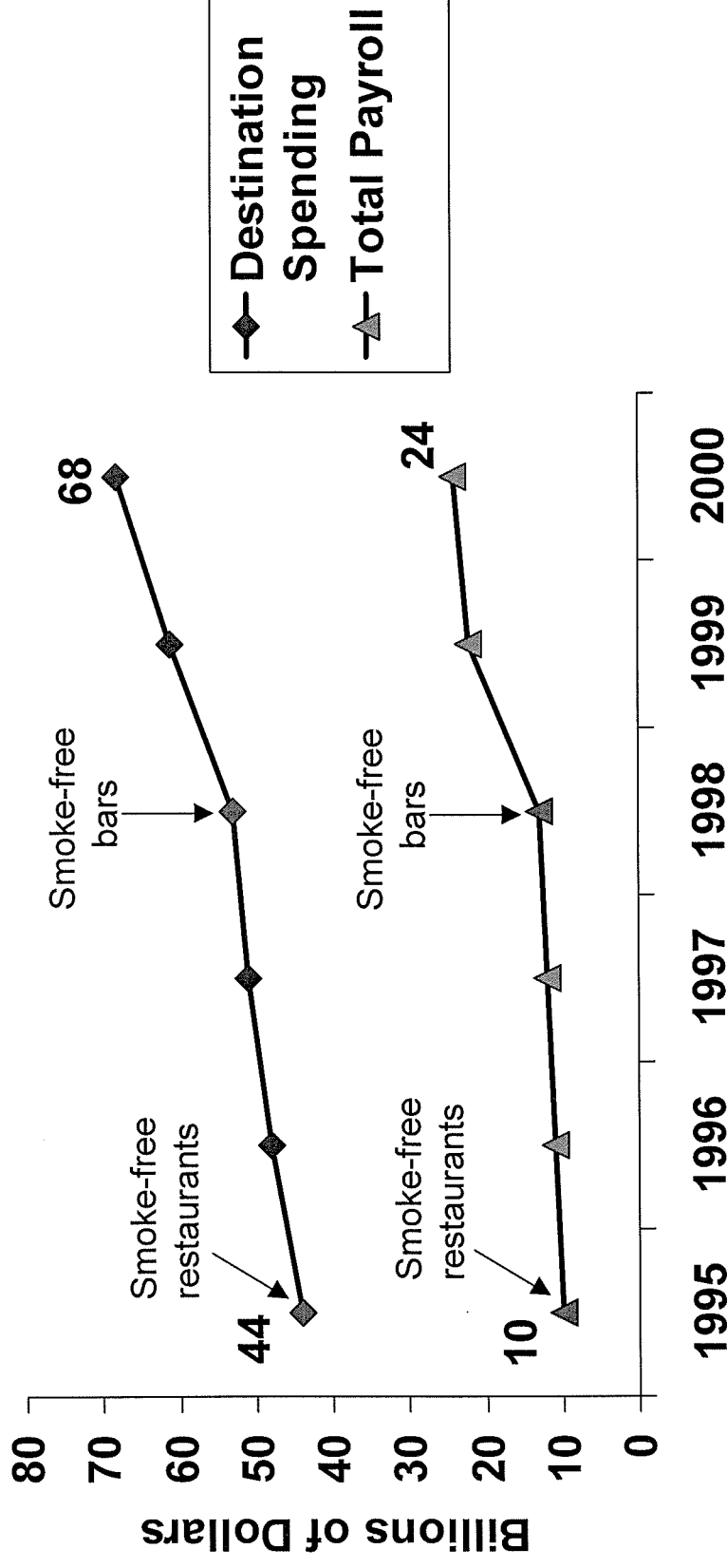
Tour Operators Indicate That Smoke-Free Policies Don't Influence Choice of Destination

Has ANY customer ever asked about smoking policies when choosing between destinations in the US?



Note: Learning about smoking restrictions did not change any international tourists' decision to visit the US.

Tourism Revenues and Employment Were Not Affected by California's Smoke-Free Workplace Laws



Source: California Trade and Commerce Agency, Division of Tourism, April 2001. Destination Spending includes spending on hotels, restaurants, and travel expenses. Total Payroll reflects tourism related employment.



Dire Predictions of Economic Losses Never Came to Pass in NYC

What They Predicted

- “...restaurants would lose up to a quarter of their business if smoking were prohibited.”
- “We expect [the Clean Indoor Air Act] to cost this city 11,000 jobs and the hospitality industry more than \$500 million.”
- “New York has over 25 million visitors a year. Tourism is a \$14 billion industry. But if this bill passes in its present form, tourists will steer clear of a city so harshly intolerant of smokers.”

What Happened

Two years after NYC’s Clean Indoor Air Act was enacted:

- Taxable sales for restaurants grew by 2%
- New restaurant jobs increased by 18%
- Taxable sales for hotels increased by 37%
- In 2000, more than 37 million visitors came to New York

The Tobacco Industry Will Fight to Keep Loopholes in Smoke-Free Workplace Laws

“[Smoke-free workplace legislation] strongly affects industry volume. Smokers facing these restrictions consume 11-15% less than average and quit at a rate that is 85% higher than average...Milder workplace restrictions, such as smoking only in designated areas have much less impact on quitting rates and very little effect on consumption.”

Philip Morris

“Financial impact of smoking bans will be tremendous – three to five fewer cigarettes per day per smoker will reduce annual manufacturer profits a billion dollars plus per year.”

Philip Morris

Tobacco's Strategies to Stop Smoke-free Workplace Laws

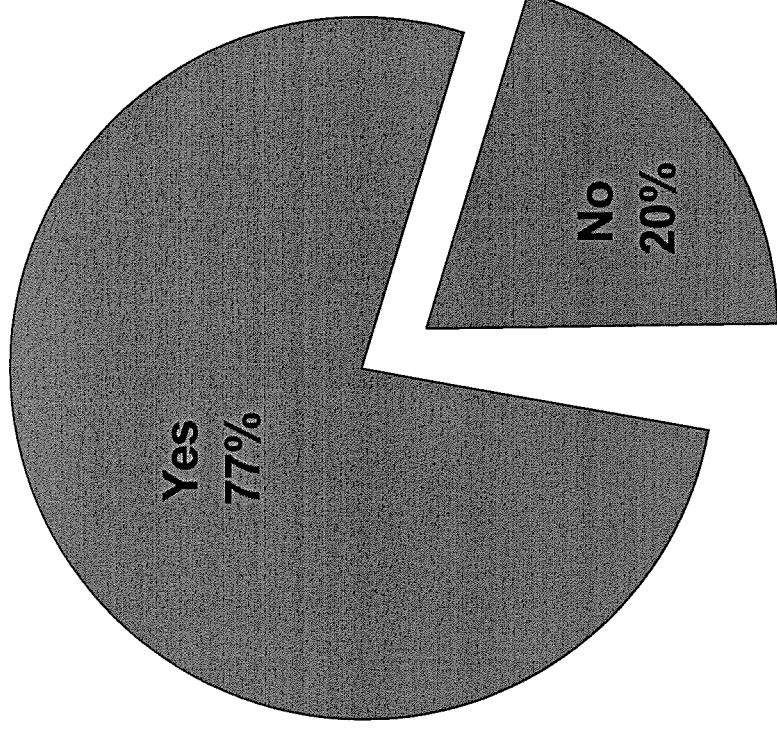
- Create front groups including smokers and restaurant/bar owners
- Manufacture economic impact “studies”
- Intensely lobby elected officials
- Offer counter proposals and delay tactics
- Launch advertising campaigns
- Encourage law-breaking and try to overturn statute after passed

New Yorkers Prefer Smoke-Free Restaurants and Bars

Places	% No Difference	% Go More Often If Smoke-Free	% Go Less Often If Smoke-Free	% Refused/ No Answer
Restaurants	84%	7%	7%	2%
Bars	74%	15%	9%	2%

More than 3 out of 4 NYC Voters Favor Smoke-Free Offices

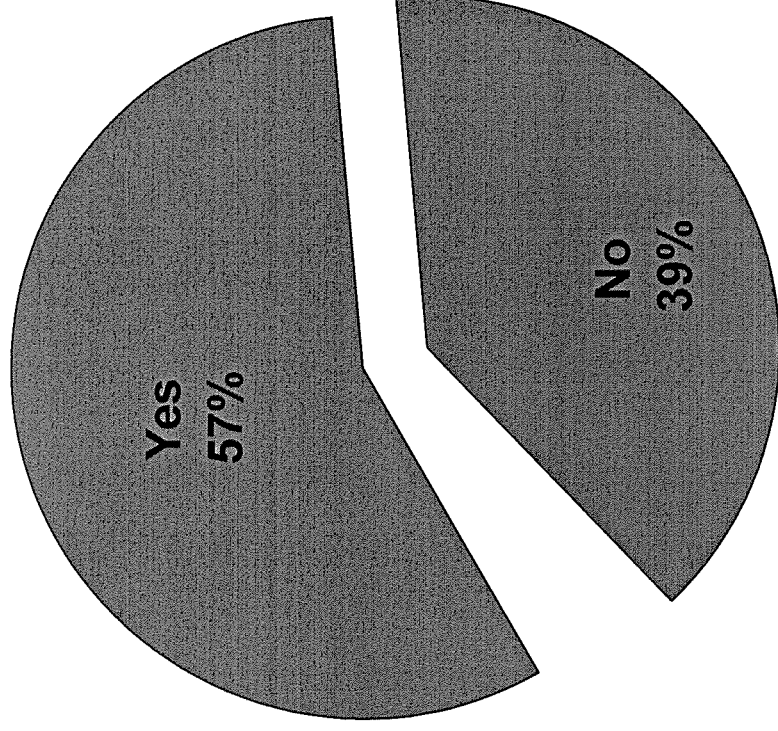
Do you support elimination of smoking completely in all offices?



Source: March 2002 survey of NYC Likely Voters, Global Strategy Group, +/- 3%. 3% Had no opinion.

Nearly 6 of 10 NYC Voters Favor Smoke-Free Offices, Restaurants and Bars

Do you support elimination of smoking completely in all offices, restaurants, and bars?



Source: March 2002 survey of NYC Likely Voters, Global Strategy Group, +/- 3%. 4% Had no opinion.

Summary: Smoke-Free Workplaces Save Lives and Don't Hurt Business

- Second-hand smoke kills about 1,000 New Yorkers each year – one every work shift
- Closing loopholes in current smoke-free workplace legislation will save lives
- Smoke-free workplace legislation is not bad for business – *except tobacco companies*
- NYC voters overwhelmingly favor stronger smoke-free workplace legislation