

## **Inquiry into Tobacco Harm Reduction**

**QoN 007-02** Do you believe that e-cigarettes should be subject to the same taxation treatment currently applied to traditional combustible cigarettes?

### **Response from Prof. Ron Borland**

In my opinion it would be bad public policy to equate vaping with smoking. See also my response to QoN 007-01. Taxation, beyond GST, is a mechanism for government to concurrently raise revenue and discourage use of some products. Equal taxation would signal that the two products are equivalently harmful, something I, and most scientists, consider vanishingly unlikely. If the intent was to equalize the prices of vaping and smoking, then the policy would have an adverse public health effect by encouraging smoking at the expense of vaping. However, if the same tax was on the amount of nicotine in the product, then these adverse effects would not occur. Only a small proportion (I think in the vicinity of 10-20%) of the nicotine in a cigarette is actually consumed by the smoker, the rest is either combusted or remains in the butt and filter or dissipates in side-stream smoke. By contrast there is much less wastage of nicotine from vaping. Thus a fixed tax per milligram of nicotine would effectively give vaping a price advantage. I think this would be a sensible approach. Cigarette tobacco typically has a very limited range of nicotine levels, so if cigarettes and other tobacco was taxed on the average amount, the resulting system would be easy to administer, as providing nicotine levels on vaping products is necessary for consumers to make informed choices, these levels should be known and the liquids taxed accordingly.