

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Vaping and Tobacco Controls

Melbourne – Monday 29 April 2024

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O'Brien

Aiv Puglielli

Meng Heang Tak

WITNESS

Dr Sandro Demaio, Chief Executive Officer, VicHealth.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee. I ask that mobile phones please be turned to silent.

I begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting. We pay our respects to them, their elders past, present and emerging, as well as elders from other communities who may be here with us today.

On behalf of the Parliament the committee is conducting this Inquiry into Vaping and Tobacco Controls. I advise that all evidence taken by the committee today is protected by parliamentary privilege. However, comments repeated outside this hearing may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check, and verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome Dr Sandro Demaio, the CEO of VicHealth. Dr Demaio, I invite you to make an opening statement or presentation of no more than 5 minutes, and this will be followed by questions from the committee.

Visual presentation.

Sandro DEMAIO: Thank you. I will too just start by acknowledging the traditional owners of land that we are on here in Naarm, the Wurundjeri Woi Wurrung people of the Kulin nation.

My name is Dr Sandro Demaio. I am the CEO of VicHealth. It was 1987 that we replaced tobacco advertising across this great state with health promotion messages through the establishment of the world's first health promotion foundation, VicHealth. Sadly, today this poster could very well read 'This billboard has given up smoking and taken up vaping'. We know that e-cigarettes contain more than 200 toxic chemicals – chemicals found in rat poison, in weed killer, in paint stripper; chemicals used in the production of industrial batteries – and this plume is breathed deep into the lungs and into the lung tissue of increasing numbers of young people.

We also know that e-cigarettes contain very high quantities of nicotine, one of the most addictive substances known to man, and that for some e-cigarettes sold in Australia at the moment, a single disposable e-cigarette can contain as much nicotine as six packets of cigarettes. We have heard from Dr Looker about the health implications. Addiction, which we overlook, has an enormous impact on the social, educational and interpersonal development of young people. It also influences the developing brain and particularly the frontal lobe, which is responsible for decision-making and higher order thinking. We have also seen burns, a doubling of poisons in New South Wales and Victoria from ingestion, EVALI and emerging evidence around mental health, heart health and even connections to low birth weight.

This has not happened by accident. It has been a predatory and purposeful play by the e-cigarette and tobacco industry. We see examples here of the flavours and colours: Froot Loops and milk, looking like a highlighter or a make-up pen, almost indistinguishable from lollies. We have seen, based on our own evidence, that TikTok is now home to 18.1 billion posts with the hashtag 'vape', with Instagram not far behind. We have even seen astroturfing, the use of fake images. In this image here the man on the right actually has nothing to do with the lived experience example provided. That was a stock image taken from a website and used to push against the federal legislation.

All of this has resulted in a rapid surge in youth vaping. We know now that one in three young people across Australia have vaped. We have gone from 3 per cent of 18-year-olds or older vaping in 2018 to almost 18 per cent by 2022, and we know that young people who vape are three times more likely to go on to smoke cigarettes. We have also seen the proliferation of vaping stores across Victoria and across Australia, particularly around where children grow up or spend time. This is evidence from the Western Public Health Unit focused on Brimbank, where they found 59 stores. The average distance between a store in Brimbank and a school was less than 750 metres. The closest was 130 metres. A child can see that store from their school. And Victoria is not unique. In fact Western Australian evidence showed that vape stores are clustered around schools and in low-income areas.

The federal legislation will make an enormous difference. This is world-first legislation announced by minister Mark Butler last year. It will strengthen the programs put in place by the previous federal government and effectively close the loopholes being used by industry. The focus will be on limiting the deluge of importation of products coming across our borders, effectively turning off the tap and at the same time closing the loopholes that have allowed the proliferation of vape stores and the very difficult enforcement by our colleagues in VicPol.

VicHealth as the state's health promotion agency have been working hard for more than two years now on this issue. We have launched vaping fact websites for parents. We have launched Australia's largest and Victoria's first anti-vaping campaign with Quit last year. We have rolled out school curriculum resources in all public high schools across Victoria, funded through VicHealth's work directly in collaboration with Quit, the Department of Education and the Department of Health, and I am happy to say that resources for grades 5 and 6 are on track to hit schools in June.

At the same time we are continuing to undertake important world-class research. On the left is some research that we did really breaking down the behavioural and attitudinal aspects of young people and vaping. On the right is a brand new peer-to-peer focused creative that we will be bringing to Victoria very shortly.

We have rolled out \$2.85 million in community grants to prevent the uptake of e-cigarettes in the last two financial years. These have been focused on sporting clubs, local community groups, cultural groups and arts groups. We have also prepared and rolled out parent conversation guides, equipping parents to be able to have important conversations with their own children. We have built brand new local government tobacco modules, which are used in almost 40 councils across the state, and we have also partnered with the Melbourne Museum to deliver a world-first exhibition on the left there, which is now touring regional Victoria.

Finally, we saw in December last year the World Health Organization and the director-general himself make a very strong call to action to member states around the world. This is a global issue, and no country is immune. In fact last week in the sidelines of the world health summit we convened a regional round table with seven countries, the assistant minister and the brand new regional director of the World Health Organization here in the west Pacific region, putting young people's own experiences front and centre. You see here warning labels created by these young people to share with other young people, which will be the basis of the messaging that I just outlined to be rolled out across universities and sporting clubs and in the digital space from the middle of this year. Thank you.

The CHAIR: Thank you. We will go to Mrs McArthur first.

Bev McARTHUR: Go to somebody else first.

The CHAIR: Mr Galea.

Michael GALEA: Thank you, Chair. Thank you, Dr Demaio, for joining us today. Firstly, I really appreciate the presentation – thank you – and I see you have some colourful stuff in front of you there as well, which probably are not the mints or chocolate that they look like.

Sandro DEMAIO: No. These are some examples that are on sale at the moment. These are illegal products. They do contain nicotine, but they simply do not put it on the packet. You see here '4000 puffs in a single disposable vape'. It contains a lithium battery and a canister of e-liquid. It is extremely easy to use, with bright colours, and easy to put in your pocket. This example here is particularly focused on young women, so it comes looking more like a make-up pen. Again, it is sort of like we are stepping back into the 1970s and 80s of tobacco, with the colours particularly preying on young women, being highly alluring to young girls in particular. This is one that deeply concerns me. I have not brought this along to quench my hard-earned thirst. In fact this is a device that is being sold to help children hide their vapes from their parents. We have seen vapes being created to look like highlighter pens and hoodie toggles so that children are able to better smuggle them into their homes, their classrooms and wherever they spend time, basically.

Michael GALEA: Could we have a look at that smuggling device?

Sandro DEMAIO: Absolutely.

Michael GALEA: Thank you. We heard from schools two weeks ago as well that kids are hiding them and they are much easier to hide than cigarettes – even with the smoke you can be less visible. But this is extraordinary.

Sandro DEMAIO: Yes. I visited a regional community about six months ago, and what I am hearing from basically every community is that it has fast become the number one behavioural issue in schools, particularly from teachers and principals. There was one community that I visited that has actually had to redesign their school uniform because children were inhaling it in their hoodies and then breathing it down into the chest of the hoodies even in classes. They have had to redesign it so that kids can basically no longer vape in class. That is how serious this issue has become.

Michael GALEA: Wow. In the data that you showed, the age brackets started at 14. You probably heard in the last session about some evidence we heard from northern Victoria a couple of weeks ago about primary school age students vaping. Do you have any data over those age cohorts?

Sandro DEMAIO: Yes. We do have some data from the earlier cohorts, but to be honest it is still quite thin. It is very hard to collect data from children in grades 5 and 6. A lot of it is still fairly anecdotal. Certainly when we have spoken to parents and teachers what we have heard is that more and more it is those younger years that are of greatest concern. When we look at the evidence from campaigns, for example, we know, based on our experiences in tobacco, that you do need to reach young people early and stop them from taking up e-cigarettes. That is also what the research that we did with the Behaviour Change Collaborative showed us – really focus on kids who either have not or do not want to vape and protect them. We support the Victorian Quitline; we have been proud to support the Quitline here for more than 30 years. We have had kids as young as 12 calling the Quitline for help, addicted to e-cigarettes.

Michael GALEA: Wow. Thank you. As you say, the packaging does look reminiscent of cigarette packaging in the 20th century. Just quickly, finally, you mentioned there is a regional tour of the exhibition for Melbourne Museum. Where is that progressing to? How far across the state is that going to get?

Sandro DEMAIO: Yes. We developed the exhibition for Scienceworks originally. We know that every one of us has got a great memory of going to Scienceworks – it is an almost formative memory in our childhood – so we partnered with the great team at Melbourne Museum and Scienceworks to develop this interactive campaign. It stayed at Scienceworks through the school holidays and reached tens of thousands of kids, but due to enormous demand, particularly from local councils across regional Victoria and Headspace and other partners, we have now got it on tour. It has been to Ballarat already, and I believe at the moment it is on its way to Shepparton. It will also then return back to the Melbourne Museum to reach children at peak times including school holidays.

Michael GALEA: Terrific. Thank you,

The CHAIR: Thank you, Mr Galea. Mr Hilakari.

Mathew HILAKARI: Thank you very much, Dr Demaio. An effective licensing regime – what are some of the important elements to protect children in particular but the community at large?

Sandro DEMAIO: Yes. We were delighted to see the Premier announce a licensing scheme here in Victoria, and as the Chief Health Officer said, it is coming quite soon. It is an important element within a comprehensive response. For tobacco it will mean that we finally understand who we are selling to, where we are selling it and how much is being sold. It should be a positive licensing scheme, so it should be making sure that people have to prove that they are doing the right thing and are adhering to all of the measures before licences are granted. This, along with the new legislation from the federal government that is focused on e-cigarettes – based on the evidence I have – I do believe will make a big difference to the rates of vaping among young people.

Mathew HILAKARI: In terms of – you may or may not have a view on this – standalone stores or mixed businesses, does VicHealth have a view on whether they should be like a liquor store, a standalone store just for tobacco products, or are you happy to see them continue in mixed businesses like milk bars and petrol stations?

Sandro DEMAIO: We do not have a position. We would have to defer to our colleagues in the department.

Mathew HILAKARI: No worries. Thank you. In terms of your submission, you mentioned requiring the reporting of data on sales and on prices. Do you just want to talk through why that is an important piece of information to have?

Sandro DEMAIIO: Yes. It is a critical part of the feedback loop – again, making sure that we understand where these products are being sold but then, most importantly, how much is being sold and to whom and where. That data is a critical part of the public health response. It allows us to plan and governments to, I suppose, continue to be proactive and to respond with appropriate policy, but it also helps us in the public health community. If we understand where these products are being sold, how much for and in what forms and the different types of products that are available, it does help us to then continue to put measures in place ultimately to work towards a tobacco-free world.

Mathew HILAKARI: And campaigns on cigarettes and tobacco – you have had some learnings from e-cigarette campaigns. Do you want to just go through a couple of those in the minute I have got at most in my section?

Sandro DEMAIIO: Sure. We have learned a lot over the last 50 years as we have sort of cleaned up the mess that continues to be tobacco, and we need to learn from the past, not repeat it when it comes to e-cigarettes. A few points: peer-to-peer is very important. Young people listen to each other; we listen to people who look like ourselves. That includes culturally diverse communities of course and communities that face more significant structural barriers. Making sure that we are segmenting the audience: there will never be one message for all of Victoria. We are very multicultural state, the most multicultural state, and that should be reflected in our approach. There is no single silver bullet when it comes to campaigns. We have developed one campaign for young adults – that is a mass media campaign. We are now developing a different approach for young people, including being in the spaces and places that they spend time – universities, sporting clubs. It does need to have a strong call to action. The call to action should be ‘Get help’, as it has been for the Quit campaigns for many years – ‘Now quit smoking and get help to do it’ – and of course designing it with the community is a really important element as well.

The CHAIR: Thank you, Mr Hilakari. Ms Kathage.

Lauren KATHAGE: Thank you, Chair. Thank you so much for your presentation. You shared some photos of the sort of sinister marketing that is occurring for vapes and e-cigarettes. Who is paying for that?

Sandro DEMAIIO: We have seen the biggest tobacco industry groups in the world, British American Tobacco and Philip Morris International, almost showing off that they are behind some of the biggest pushes of e-cigarettes. So they do see it really as an emerging opportunity and an emerging market for an industry that is, as it should be, maligned and hopefully on its way to extinction in Australia. The tobacco industry is absolutely involved. They have used particularly social media during the last few years, during COVID and during the recovery, but there are also then front groups. They use lobbying groups, including the one that I presented there. We have seen this group in particular fund research and then fail to disclose that it has been funded by the tobacco industry indirectly. We have also seen them using fake representations of lived experience examples. So the tobacco industry is very involved. There are also of course then smaller, more independent e-cigarette producers. They are largely coming out of China.

Lauren KATHAGE: In terms then of a regulatory framework, do you think that there is scope for that to include stronger advertising controls?

Sandro DEMAIIO: Yes. Last year the federal government, almost a decade after they were implemented by Nicola Roxon as part of the tobacco advertising policies and the plain packaging Act – both of those pieces of legislation were updated by the federal Parliament to include greater strengthening of laws around advertising of e-cigarettes also in the digital space. I think there is still clearly a lot more work to be done in terms of enforcement, but those were important steps forward. I also think that the announcement by the federal government to move towards strengthening the prescription-only pathway will effectively significantly limit supply. At the moment you have got a situation where social media is effectively being used to push products that are illegal but using a loophole in the laws and then with a single click you can get these products delivered out the back of a Toyota Camry across the road from a primary school. These new laws will go a long way,

along with the legislation that was introduced and passed last year by the federal Parliament, to address both the advertising and the supply of these illegal vapes.

Lauren KATHAGE: It seems there is almost a twin-track approach they are taking with the advertising. We have got Michael – so the people my age and older – who maybe want to get off cigarettes, and then at the same time they are bringing the younger people in to a product, and they have not had any nicotine; they have not been exposed to it before.

Sandro DEMAIO: Yes. The primary market that the industry is focused on, and particularly the tobacco industry, is young people, and it is evident from Froot Loops and milk flavours, unicorns on the packet and the way they are being sold through stores and online, on TikTok in particular. The approach that the federal government is taking is about balancing cutting off supply to young people and protecting young people with allowing your 65-year-old truckie who has been smoking for 35 years, has tried everything else and has seen their GP to use these as a last resort if they are appropriate.

Lauren KATHAGE: You seem to have a bit of a sense of disbelief that it is almost history repeating. Is there anything that we have learned from cigarettes that we are not applying to e-cigarettes that you think we should be?

Sandro DEMAIO: This inquiry would suggest that we are learning from the history. I think it is about acting quickly. It is about taking a proportionate response that is really bringing everything we possibly can to protect young people and having a very healthy dose of scepticism when it comes to the tobacco industry. They sold this, falsely, as a harm minimisation product. New Zealand went down that path, deregulated it, made it a consumer product and is now seeing some of the highest rates of youth vaping in the world. One of the key messages we learned from the past is we need to act swiftly and protect young people at all costs, and we need to make sure that we do not repeat the past, including by believing the misinformation being spread by the tobacco industry.

Lauren KATHAGE: Thank you. Thank you, Chair.

The CHAIR: Thanks, Ms Kathage. Mr Tak.

Meng Heang TAK: Thank you, Chair. Thank you for your presentation – very informative, especially because you brought all of those so we can see them firsthand. Currently tobacco control is sort of enforced by councils and e-cigarettes are enforced by Victoria Police. How does this compare to best practice?

Sandro DEMAIO: The full details of the state's new tobacco licensing scheme are yet to be outlined, but effectively the big challenge at the moment is that we have got vape stores selling products that are in fact illegal, but it is very hard to enforce because of the loophole of non-nicotine vapes being legal. So if you simply do not write on the packet that the vape contains nicotine when it does – most of them that are being sold do – then you can basically fly under the radar. It is very hard for police to enforce this. If they go into a vape store, they need to effectively test it for nicotine, which is expensive and takes time and a lot of equipment. The new federal legislation will close this loophole. Effectively any e-cigarette, nicotine or non-nicotine, sold outside of a pharmacy will no longer be legal. It will make it much easier to enforce. Along with the licensing scheme for tobacco, helping us to understand who is selling what to whom and where and reporting that data back to government – those two combined should make a very big difference in terms of the issues that you are describing.

Meng Heang TAK: In terms of quitting, there is so much help that adult smokers can get. With young children, where can they get help to quit?

Sandro DEMAIO: That is a great question. We have recently established a WhatsApp-based quit support line for young people. We know that young people do not have the same, I suppose, brand affinity with Quit that we do, growing up with those really strong campaigns. They do not want to necessarily pick up a phone either, because they are a text-based generation. We are working with the Cancer Council and Quit to adapt the programs. We are looking to increase and bolster the WhatsApp-based programs particularly, and the text-based programs. There is more support now than ever here in Victoria for young people who are looking to quit e-cigarettes, and it is an important part of the puzzle, because there are many young people addicted to nicotine thanks to the actions by the industry over the last few years. We are doing everything we can to make sure

those services are available, and we will continue to grow them. We have increased the budget for next year to ensure that they continue to expand.

Meng Heang TAK: Okay. Thank you.

The CHAIR: Thank you, Mr Tak. Mrs McArthur.

Bev McARTHUR: Thank you, Dr Sandro. Should parents have any responsibility in this space, for monitoring what their children are doing, especially prep children and primary school children?

Sandro DEMAIO: Absolutely parents have got a role to play. As a doctor I do not blame parents. Industry has used social media – kids cannot be tech free: kids need to learn online, they are developing online, they are connecting online, sometimes they are even working online, depending on, you know, older kids. So the digital space is unavoidable, and it is very hard for parents to understand where kids are spending time in the digital space. Back in the days when the family was driving down the freeway and they all saw the same billboard; those days are gone. The billboard is now in your pocket, and my niece sitting on the couch next to me is seeing completely different billboards to what I am, and I have no control over it really.

Interestingly, though, we have just undertaken some research as we were preparing to launch our parents' information hub, and what came out strongly was that parents still have a really important role in having a conversation with their kids about vaping. In addition to tighter legislation that effectively closes the loopholes, making sure that kids are able to share their experiences and warn each other, and ultimately also making sure we do not have shops selling products that look like lollies but are highly harmful opposite primary schools, parents engaging with their kids around the health harms, having conversations about how dangerous these products are, is actually an important part of the puzzle. Our research found that it is a very effective way – one way – of reducing the risks for young people and reducing the uptake of e-cigarettes.

Bev McARTHUR: So have you got a program targeted to parents as well?

Sandro DEMAIO: We do, yes. We have a program for parents, we have an information hub, but we have also developed a conversation guide. It takes parents through how exactly to have a conversation with their children about e-cigarettes.

Bev McARTHUR: Great. The carcinogens that you been describing in these products seem to me to be even more dangerous than nicotine. Is that the case?

Sandro DEMAIO: I always kind of hesitate to compare tobacco smoking, a product that if used exactly as intended will kill one in two of its long-term users, with a product that is only five or 10 years old. Saying that e-cigarettes are safer than smoking is like saying that they are safer than walking on a freeway: yes, it might be safer, but it is still a terrible idea and highly dangerous. The evidence is still emerging. We know that nicotine addiction in young people has enormous and long-term consequences for their development, for their psychosocial development, for relationships, for their ability to study. We are hearing stories from across Victoria of kids who cannot make it through a single maths class, they cannot make it through a quarter of a football match, they cannot get to sleep or they wake up with a vape in their hand. These are highly addictive and toxic products, and the more time that is passing, we are realising in fact that they are more and more like cigarettes in the risks to health that they pose.

Bev McARTHUR: If you have got rat poison in something, surely that is not a good idea.

Sandro DEMAIO: No, I agree.

Bev McARTHUR: Are governments way too dependent on the taxation of cigarettes to ban them?

Sandro DEMAIO: Taxation of cigarettes is not a revenue-focused exercise. Tobacco taxation, since its inception, has really been all about deterrence. The cost of smoking far outweighs any revenue that we get through tobacco sales. The focus really is using – and we see this over time: every time we have increased tobacco taxes, we have seen less and less people smoking, including people from low-income backgrounds, people who face structural barriers to good health. Tobacco excises are not about raising money, they are about reducing harm.

Bev McARTHUR: Well, if that is the case, then why don't we increase the taxes further? If it is reducing the use, should we increase excise further on cigarettes?

Sandro DEMAIO: On cigarettes, the federal government has just recently increased excise further. At the same time you need to then focus on – we effectively, in young people today, are on track to have almost zero tobacco cigarette smoking. We have one of the lowest rates in the world amongst young people – they are simply not taking it up. That is why the tobacco industry is so desperate to find a different product to get young people hooked and addicted. It is now about not only focusing on the established approaches, like health warnings and information and campaigns and excise price, but it is also about focusing on vulnerable populations, populations that we know are targeted by the tobacco industry, and that is what the federal government announced last year with an expansion of more of an equity-focused approach, an increase in excise and also an increase in cessation support. Of course, I think very excitingly, for the first time in a decade we are going to have a national anti-tobacco campaign once again as a country.

Bev McARTHUR: How much do these things cost, do you know?

Sandro DEMAIO: They can cost as little as \$10, anything up to \$30 or \$40 depending on the size and also the number of vapes. I think this one here that has 4000 puffs is about \$30.

Bev McARTHUR: Where do children get the money from to buy this stuff?

Sandro DEMAIO: Well, we are hearing stories of kids skipping lunch to be able to – that is how addictive these products are. I am not sure is the answer. I mean, kids are getting money from –

Bev McARTHUR: From their parents to go and buy lunch.

Sandro DEMAIO: Potentially or from part-time jobs, wherever kids – I do not have kids, but yes. They are not expensive. I mean, I think that is the point – you get 4000 puffs for about \$30.

Bev McARTHUR: And a packet of cigarettes is about \$50, is it?

Sandro DEMAIO: That is right, yes – \$25, \$50.

Bev McARTHUR: So we are probably exacerbating the black market.

Sandro DEMAIO: I do not have evidence about exacerbating the black market, but certainly what is required is to reduce supply. We are an island nation, so cutting off supply through limiting the imports, which has been a cornerstone of the new legislation, and then backing in the program that was created by the previous federal government, which is the prescription-only pathway, which balances the need to give a very small proportion of people who have tried everything else to quit smoking a pathway through their GP. I would argue any person who has been smoking for 30 years should be seeing their GP anyway to get their heart checked and their diabetes checked and everything else, but that we are not then putting at risk a new generation of young people becoming addicted to these products.

Bev McARTHUR: I think I have exploited my time.

The CHAIR: You certainly have, Mrs McArthur.

Bev McARTHUR: Load it up in the end.

The CHAIR: It was right off track. Sandro, thank you for appearing before the committee this afternoon, and I also want to say on behalf of committee members thank you for your tireless power of work in this space – I know it is something you feel very passionate about, and I hope this report is going to come through with recommendations and findings that can, I guess, look at having young people and others not take up vaping in the first place. But I do want to thank you for your work.

Sandro DEMAIO: Thank you.

The CHAIR: The committee will follow up on any additional questions or questions taken on notice in writing, and responses are required within five working days of the committee's request. The committee will now take a 30-minute break before recommencing the hearing. I declare this hearing adjourned.

Witness withdrew.