

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Vaping and Tobacco Controls

Melbourne – Monday 15 July 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 (*via videoconference*)

Professor Coral Gartner, School of Public Health, University of Queensland.

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

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 is protected by parliamentary privilege. However, comments repeated outside of 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 Professor Coral Gartner from the School of Public Health at the University of Queensland. 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. Over to you, Professor.

Coral GARTNER: Thank you, Chair. I would like to acknowledge that I am joining from Meanjin and acknowledge the traditional owners, the Jagera and Turrbal peoples, and I pay my respect to their ancestors and descendants.

I am a professor of public health at the University of Queensland, where I lead a research centre of excellence on policy interventions to minimise smoking prevalence. I have 18 years of experience in tobacco control policy research. My research is funded primarily from competitive grants from the National Health and Medical Research Council and the Australian Research Council. I do not accept funding from or provide services to tobacco or vaping product manufacturers or associated industries. Of course any views that I express are made in a personal capacity and are not intended to represent my employer or these funding bodies.

I would like to start by just saying that the federal government has recently implemented a ban on non-therapeutic vaping product sales nationally, so that has certainly changed the landscape for those products, but smoked tobacco products remain widely available in a diverse range of retailers throughout the country, so that was not included in those reforms that have happened. We have also seen a rapid increase in illicit tobacco and vaping product availability, including from retail outlets. This is extremely concerning, because while it is naive to expect to completely eliminate the illicit tobacco trade, the widespread infiltration of the mainstream tobacco retailing market with illicit products is likely to increase the consumer acceptability of using illicit products as well as expose retail employees to people involved in serious crime. The arson attacks on tobacconists are an example of the risk for tobacco retailers. Hence addressing this current situation really needs to be a priority.

I have several key recommendations regarding tobacco retail regulation. If you would like, I can go into those now, or I am happy to take questions first if you prefer.

The CHAIR: Could you please go into them now.

Coral GARTNER: Okay. Firstly, tobacco and wholesale licensing is really urgently needed. This needs to also include mandatory reporting of tobacco sales data as a licence condition. Licences need to be able to be cancelled immediately where licensees are found to be in possession of or involved in supply of illicit products, and lifelong bans on holding a licence should also be imposed. We need these types of really strong penalties to be a sufficient deterrent rather than just fines. Large penalties, including potential custodial sentences, are also needed, particularly for unlicensed selling.

A substantial licence fee is really needed to be able to provide sufficient funds for regular monitoring and enforcement activities. This enforcement activity needs to also anticipate attempts to hide these activities such as storing the illicit tobacco and vaping products off licensed premises and to ensure that the laws allow for searching and seizing illicit products that are not located at the business address but are supplied in connection with the business. Furthermore, ensuring safety of officers conducting these monitoring and enforcement operations will require significant investment in recruitment of adequate numbers, training, and safety

equipment, such as things like body cameras, and also support from law enforcement at state and federal levels, as appropriate – a coordinated multi-agency approach is needed here.

The licensing fee should also include funds for environmental management of tobacco product waste. So that is something that has just been completely ignored. The regular tobacco industry produces a lot of waste. Cigarette butts are the most littered product, so there needs to be something done to address that, and I think doing it through licensing is a good way. Covert monitoring operations using controlled test purchasing of illicit products should also be included in the monitoring and enforcement activities, so that all needs to be included in the legislation. Online tobacco retailing should also be banned in line with recommendations from WHO.

In addition to securing the tobacco supply chain, more should be done to reduce the demand for these illicit products. The optimal way to decrease demand for illicit tobacco is to decrease the number of people who are smoking, because people who do not smoke do not buy illicit tobacco products. Demand for illicit products is likely to be greatest among people on low incomes, who often also have more difficulty quitting smoking than do people with more resources. Therefore additional smoking cessation services and products are needed to help these people to quit smoking, and these services need to be made widely available and free of charge. For example, our research has found that 80 per cent of Australians who smoke would prefer to stop smoking within the next one to two years. I think it really needs to be borne in mind here that most of the people who are buying tobacco products actually do not want to keep buying these products – they want help to stop smoking. Coupling this with better cessation support is also another way to reduce demand.

Unfortunately, because tobacco smoking is highly addictive, even though people do not necessarily want to keep buying this product, they have difficulty making these quit attempts. There are a lot of things that we can do to support those people, and that is where government really has a big role to play, including in providing treatment services. There are also things that you can do to make the environment that people live in more conducive to living a smoke-free life. One of those ways is actually to reduce the availability of tobacco products in retail environments, such as by limiting the number of tobacco licences that are issued. So I think there should be some consideration given to a longer term plan to reduce the availability of tobacco retailing in our normal retail settings. This is consistent with priority area 8 of the *National Tobacco Strategy 2023–2030*, which is to strengthen regulation to reduce the supply, availability and accessibility of tobacco products. So under the national tobacco strategy, the Victorian government has a joint responsibility for implementing licensing and working towards a nationally consistent licensing regime. Here is where you can really plan for a best practice approach and try to plan also for these wider policy goals that are consistent with the national tobacco strategy.

I would also suggest including some exploration of options to regulate where and how tobacco products are retailed, including the number of licences that are issued, where they are located and the types of retailers that are allowed to retail tobacco products. This could include a cap on the number of licences that are issued. For example, when Hungary brought in tobacco retail licensing in 2013 the government also commenced a program of decreasing the density of tobacco retailers as a part of that licensing approach. They reduced the initial number of 40,000 tobacco retailers in 2013 by 85 per cent. So that went down to 6000 retailers in 2020.

Also, this is consistent with other approaches in other countries – for example, the smoke-free law that was passed in Aotearoa New Zealand but unfortunately repealed by the current government. If that law had have gone ahead and been fully implemented, that would have reduced the number of tobacco retailers by 90 per cent. By having fewer tobacco retailers, it is also going to be easier for monitoring and enforcement in terms of securing that tobacco supply chain.

I would also recommend that the Victorian government look at implementing programs to encourage and assist tobacco retailers to transition out of selling tobacco products. So, you know, we think about how many people are smoking now – it has drastically reduced over the last 20 years. In 2022 only around 9 per cent of Australian adults in Victoria smoked daily, and we expect that this is going to be a downwards trajectory that continues – that is in line with government goals. The number of consumers purchasing tobacco will continue to decline, so it is unsustainable for the current number of tobacco retailers to expect to continue forever generating substantial sales income from retailing this product, which has a declining customer base. So in line with government goals to reduce smoking to improve the health of the community, we also need to be thinking about the reliance of some retailers on continuing to sell this product.

I would note that tobacco retail licensing has really strong public support. That has been consistent for many years in national surveys. There is also good support for raising the minimum age of sale. There was some research done by Cancer Council Victoria. They found that three-quarters of the population support retail licensing. They also supported restricting tobacco sales to stores that do not allow children to enter. These are all different ways that you could try to improve the regulation of retailing as you are implementing licensing. In addition –

The CHAIR: Professor Gartner, I am just conscious of time. The evidence you are giving is great –

Coral GARTNER: I was just going to wrap up and just say: also recognising that cooperation between the states is also really needed here, as well as federally and internationally.

The CHAIR: Thank you. And if you do have those recommendations in writing, please send them to us. We would very much like to receive them. I am going to throw to Mrs McArthur.

Bev McARTHUR: Thank you, Chair. Thank you, Professor. Now, you are saying that we should reduce the number of retailers in the tobacco area, but what we have seen is, because of the huge increases in excise in tobacco, illegal products have obviously entered the market as a major industry for criminals. Reducing the number of legal retailers surely is just going to increase the number of illegal operators, isn't it?

Coral GARTNER: No. I think that this is more of a crime issue that needs to be addressed, and having more legal retailers is not going to reduce that crime issue but it will make it easier to monitor and enforce that legal supply chain. Yes, you will always have some illicit trade, but one of the points that I made earlier is that having that supply through legal retailers also increases the acceptability to the general public. When they can just go into a retailer and buy over the counter, it is quite a different situation to, say, finding a private dealer to do a deal not in a commercial space, if that makes sense.

Bev McARTHUR: Well, it does not seem at all difficult to be able to buy an illegal product here.

Coral GARTNER: Yes, that is right, and this has been –

Bev McARTHUR: The law enforcement agencies that we have spoken to say they would be lucky if they got one in 10 of the operators in the criminal world supplying illegal products. So clearly prohibition is not working. Increased excises are not working. We have just developed a criminal world around the whole issue of smoking and vaping. Wouldn't it be better to regulate and control it?

Coral GARTNER: Well, I would argue that we are not talking prohibition here. We are talking about better regulation of the supply chain and also thinking through what the best way is to reduce the demand for this product. It is also to help people to stop smoking, and part of that is also reducing the triggers to purchase. Everywhere you go you can buy tobacco products in such a wide range of outlets. It is all there for you. If you are trying to quit smoking, it can also be a trigger to relapse. So I think we also need to think about that wider issue of people wanting to quit smoking, and they need support, including supportive environments.

Bev McARTHUR: Well, if people do not want to smoke, why has this illegal trade developed at such a rate?

Coral GARTNER: Look, it is interesting. The number of people who are purchasing illicit tobacco – if you look at the national drug strategy household survey, it has only been in the last survey round that that number has increased to about 9.6 per cent, I believe; it has nearly doubled over a three-year period. We have had the excise going up since 2010, but it did not have a massive impact on people's purchasing of illicit tobacco. This is something that has happened relatively recently, this increase, so obviously criminal elements have seen an opportunity here recently and moved into that. I think we also need to think about the deterrence issue. It can be seen that the penalties for illicit tobacco crimes are less than, say, for selling methamphetamine, so it is also about tackling that. This is seen as an opportunity, I think, by people involved in crime.

Bev McARTHUR: So you think we should increase the penalties to the level that they exist at for other illicit drug products?

Coral GARTNER: Yes. I mean, this is a product that is addictive and is taking advantage of people's dependence. It is funding other crimes as well, so it should be treated as a serious issue. Just reducing the

controls on the legal supply is not actually going to be effective in addressing the illicit supply, because if you grow the legal market by reducing the controls of things that are encouraging people to stop smoking, you are going to have more people who are smoking and possibly looking for cheaper products. So just rolling back controls is not actually an effective way to control this issue.

Bev McARTHUR: You mentioned that lower income people are more likely to smoke than higher socio-economic groups. Why is that?

Coral GARTNER: There are a range of factors here. We talk about the social determinants of health. Where people have got more challenges in their life, they often do not have all the resources that you have when you are more affluent. Also, if you are in a family and social setting where a lot of people smoke, it becomes more normal; it is a normal activity and so on. There are a lot of different factors that have led to this. For example, smoke-free laws that came in in office settings – so people working in white-collar industries and so on in office environments were the first impacted by smoke-free laws. But people who are working outdoors and so on do not get impacted by that so much. So depending on the employment that you are in, whether it is acceptable to smoke or not, there are different cultures in different workplaces and so on. People who are in those higher paying jobs tend to be in smoke-free environments and in cultures where other people are not smoking.

Bev McARTHUR: Is it up to experts like you or government operators like us to tell individuals what they can and cannot do in their life?

Coral GARTNER: I would argue that we are talking also about 80 per cent of people who are currently smoking who do not want to be smoking, so it is not necessarily a matter of telling them what they can or cannot do, but it is supporting the goals that they actually have for themselves. We are talking here about regulating people making money by selling a product that is harmful and addictive. Government regulators have decided that I cannot set up shop and start selling methamphetamine to people, because it creates harms to society, even if that is what I want to do. As regulators you often are constraining what commercial operators can do.

Bev McARTHUR: So at the moment it appears, though, that the illegal trade is producing a product that is extremely dangerous with greater levels of carcinogenic products, and nobody knows probably quite what is in every product. Isn't that more of a problem with the escalating criminal world that has moved into this market than if you had a highly regulated market?

Coral GARTNER: I would argue that there is nothing to say that the legally produced products are less harmful, because there are no controls on how many carcinogens are in smoked tobacco products. The idea that you are not going to get cancer because you are smoking a legal product that has been taxed – I do not think that there is any evidence to support that suggestion that this is somehow less harmful for people. We are talking about a product that kills up to two-thirds of people who use this product long term through quite unpleasant diseases to die from. As I said before, for most people who are smoking it is not actually their ambition to smoke for the rest of the life and to die from a tobacco-related disease.

The CHAIR: Thank you, Professor. We will go to Mr Tak.

Meng Heang TAK: Thank you, Chair. I just would like to follow on a question from my colleague: what is the ideal approach to providing vaping or tobacco cessation services to young people, particularly those under the age of 18?

Coral GARTNER: In terms of helping people to stop vaping or smoking?

Meng Heang TAK: Yes.

Coral GARTNER: Well, I think that we do need those supports available for people who have taken up vaping, particularly our young people. I am sorry, I am a little bit unclear on the question on what aspect.

Meng Heang TAK: What would be the ideal approach in terms of help?

Coral GARTNER: The ideal approach; okay. I think we need to have appropriate services available that meet people where they are at for young people, including by people who have that training and that connection

with young people. So it could be through services like Headspace. I think even school nurse programs and so on should be able to have that extra training to support young people who have maybe developed a dependence on vaping products but also in community settings as well, like GPs and Quitline and so on. I think there is a lot being done in that space now to develop better guidelines and treatment for young people and also adults who may be wanting to transition off vaping products.

Meng Heang TAK: Then I will go on to my next question in terms of jurisdictions in the world: which countries that we know of have the most effective nicotine control frameworks in place?

Coral GARTNER: I think there is a lot that we learn from looking at all the different countries and what they have implemented in different ways. I would have said Aotearoa New Zealand, but unfortunately the plan that they put in place was rolled back, so they have not gone ahead with what would have been an absolutely outstanding approach that had multiple components to it. It would have reduced the widespread availability of tobacco products, it would also have reduced the addictiveness of tobacco products and it would have also provided extra support to people to quit smoking. So there was also that aspect of providing better treatment services and also community grants for communities to also adjust to a low-smoking environment.

Meng Heang TAK: Thank you, Professor. Thank you, Chair.

The CHAIR: Thank you, Mr Tak. Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Good afternoon, Professor. Now, I understand you lead a multidisciplinary team that is focused on tobacco eradication through the NHMRC Centre of Research Excellence on Achieving the Tobacco Endgame. We spoke earlier today about perhaps what success does look like in this conversation. In your view, is success eradication?

Coral GARTNER: I am not talking about eradication. When we are talking about endgame we are talking about tobacco smoking no longer being the leading cause of preventable premature death in Australia. We are talking about there being minimal smoking prevalence. We accept that there is always going to be some substance use. We have not eradicated other addictive drugs like heroin, methamphetamine and so on, but the proportion of the population that are using these other substances is far, far smaller than the number of people who every day are smoking tobacco products and then dying from tobacco-related disease. So we are talking about reducing the population burden down to a more acceptable level and also not accepting the reality of this being a widely retailed product that is considered a normal consumer product.

Aiv PUGLIELLI: Thank you. Just following on from an earlier question around cessation services and supports offered to people under the age of 18, do you think the existing services that we have in place, with the new legislation coming in federally, are currently adequate?

Coral GARTNER: No. Look, I think there is a lot more that we could be doing to support people to quit smoking, and I think that is something that the Victorian government should be having a conversation with the federal government about – what proportion of the excise that is collected from tobacco is also then pumped back into smoking cessation services. For example, we have evidence that the best approach for quitting is a combination of behavioural support as well as pharmacotherapy, particularly something like nicotine patches. They are more effective, particularly if you have a heavy nicotine dependence, if you combine those with a short-acting nicotine product, so patches plus gum or lozenge or mouth spray – something like that. But we only get patches on the PBS, and even then people have to pay a co-payment. I think, when you consider how much money the tobacco industry are making from this product, that there should be funds coming from those sales to also help those people who want to stop smoking with the best support that is available, including a full range of pharmacotherapy, in line with the evidence of what helps people quit smoking, and I think that should be free. I also think that people should have support if they want to go to face-to-face counselling. I think the Quitline counselling is excellent and that service should be expanded as well, but also there are some people maybe with more complex health needs and so on that could benefit from other more intensive support. So I think there should be a range of options for people.

Currently we do not have consistent access to free pharmacotherapy. For example, if you are in Queensland and you fall into certain categories, you can get combination pharmacotherapy like nicotine replacement therapy sent to you from Quitline and be provided with a good program of smoking cessation counselling. But that program with the nicotine replacement therapy sent to people is not available in other states, and it is not

necessarily available to everyone who calls Quitline in Queensland either. I think that is the sort of thing that we should be delivering, absolutely. You know, if we are allowing this product, which is highly addictive, to be sold throughout Australia, then we should be absolutely providing free smoking cessation care to people who no longer want to use that product.

Aiv PUGLIELLI: Thank you, Professor. Thank you, Chair.

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

Mathew HILAKARI: Thank you so much for your time, Professor. I understand we are over time already, and I think we could have many more questions, so I am going to ask you three quick ones. I expect you might even take some on notice at my encouragement as well. I am just hoping you might maybe take on notice some of those important elements about a legal regime that protects consumers and protects people's health and some of the important elements. I know you talked about New Zealand a moment ago, about some of those ones that were missed opportunities. I am hoping you might be able to provide that on notice as a written submission to us, if that is okay. I understand you have gone through a lot of it.

Coral GARTNER: I am very happy to.

Mathew HILAKARI: Thank you. You mentioned briefly mandatory tracking data. I am just hopeful that you could have a few words – and again happy for you to take it on notice – on what that looks like in a practical sense, the mandatory tracking of tobacco products.

Coral GARTNER: That is where wholesalers need to be licensed as well, and all the supply from the wholesalers to the retailers needs to be tracked and then also the sales from the retailers. Currently that sort of monitoring is done in Tasmania. In their licensing scheme, they do collect the retail sales data. They require their retailers to supply that. So if you are looking at setting up a scheme, you need to go with the best practice that is available, which is also monitoring the full supply chain.

Mathew HILAKARI: Fantastic, thank you. I would just be interested in your views about the current taxation levels federally. Are they set at the right place, or is there an alternative that you think would be better for health outcomes and community outcomes?

Coral GARTNER: We also need to keep in mind that we do have a lot of low-income people that are smoking, so there is a point where for those people who do not quit, it does put a burden on finances. I would say that we should not take the tax down but we should be looking at other additional supports to help them stop smoking, which would be the best for their finances as well as their health. If you think about the impact on a family if the main breadwinner develops a chronic disease and cannot work and dies early, that is a massive impact on those low-income families as well. We do know that high tobacco taxes do encourage people to stop smoking, but we just need to make sure that we are providing the optimal support for those people.

Mathew HILAKARI: Thank you.

The CHAIR: Thank you, Mr Hilakari. Professor Gartner, that brings our session with you this afternoon to an end. Thank you very much for taking the time to appear before the committee today. The committee will follow up on any additional questions or questions taken on notice, and responses are required within five working days of the committee's request.

The committee is now going to take a break before recommencing the hearing at 2 pm. I declare this hearing adjourned.

Witness withdrew.