



Australian
Retailers
Association



Select Committee on Personal Choice and Community Safety

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Response to Western Australia *Inquiry on Personal Choice and Community Safety*

October 2018

About the ARA and AUSCAP:

The Australian Retailers Association (ARA) is the retail industry's peak representative body representing Australia's \$310 billion sector, which employs more than 1.2 million people. The ARA works to ensure retail success by informing, protecting, advocating, educating and saving money for its 7,500 independent and national retail members, which represent in excess of 50,000 shopfronts throughout Australia. The ARA ensures the long-term viability and position of the retail sector as a leading contributor to Australia's economy.

Members of the ARA include Australia's most trusted retailers, from the country's largest department stores and supermarkets, to specialty retail, electronics, food and convenience chains, to mum-and-dad operators.

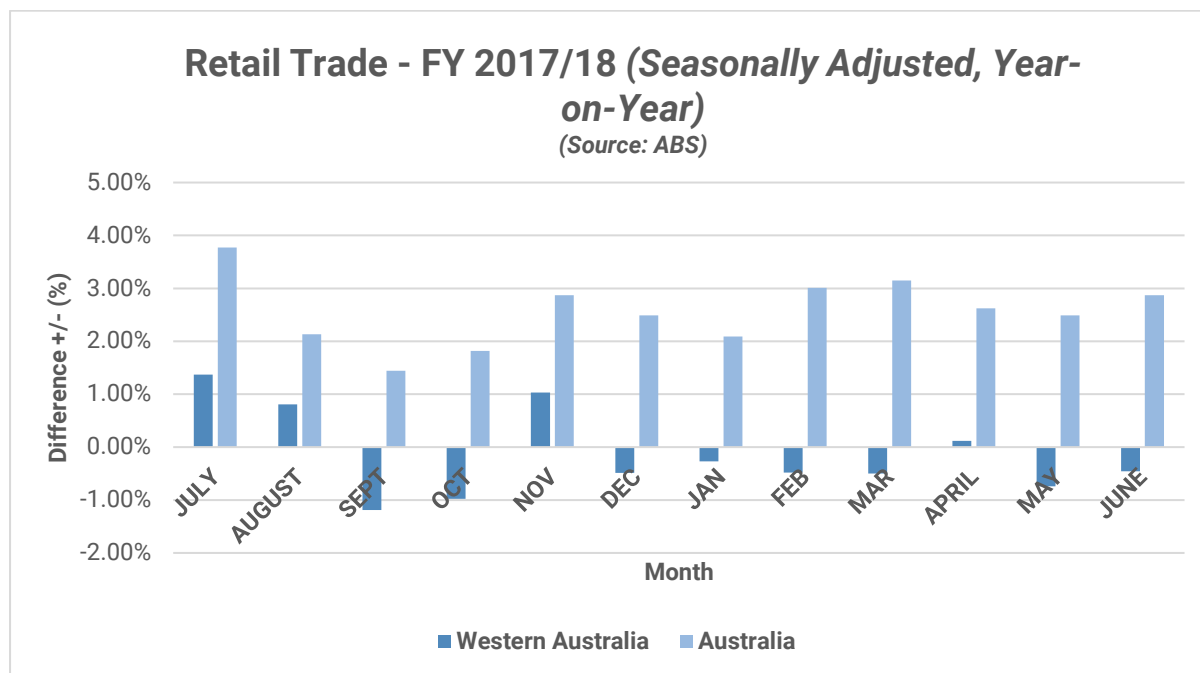
The ARA convenes Australia's leading anti-illicit trade coalition, Australians to Stop Counterfeiting and Piracy (AUSCAP).

1. Current State of the Retail Sector:

The retail sector in Western Australia has been enduring a period of significant struggle over the last 12 months.

ARA analysis of general figures from the Australian Bureau of Statistics (ABS) shows an overall decrease of -0.15% year-on-year in Western Australia across the

2017/2018 financial year, compared to a nationwide 2.56% year-on-year increase nationwide.




West Australian retailers remain concerned about tough trading conditions and continue to seek new product lines along with equal market access regarding product entering from overseas.

2. Retail Provision of Personal Choice Goods:

The ARA and AUSCAP urge the Western Australian Government to use the inquiry to allow the safe sale of products including nicotine-based e-cigarettes and personal vaporisers in a regulated way, removing them from the black market and allowing Australian retailers to compete against overseas counterparts.

While some grocery, newsagent and convenience stores already sell these products due to lack of knowledge around legalities, it would be appropriate for the Western Australian Government to assist with rectifying this problem. Western Australia can



show leadership to the rest of Australia, while allowing the sector to sell such harm reduction products to offset sales of more harmful products.

Western Australia has had a long history of appropriate regulation of harmful substances when they have operated in the illegal market by bringing them into a regulated market where sales can be restricted, and appropriate assistance given to reduce usage. We believe nicotine vapour products are an important alternative for retailers to support Government harm reduction measures.

We continue to advocate for greater education and harm reduction efforts from Government in relation to tobacco products, including the sale of alternative harm reduction products in pharmacies and convenience stores.

We also remain dedicated to assisting in creating healthier outcomes for consumers and support the benefits delivered by diversionary products such as e- cigarettes.

A decision needs be made around the choice available to consumers, including those adult consumers looking for alternatives to assist in quitting smoking, or to increase the choices available to these consumers.

Retailers also need to wean themselves from the revenue related to tobacco products and see e-cigarette products as a far healthier alternative with which to supply consumers who cannot kick their addiction.


Only by increasing the choices available to consumers will we have the capacity to help smokers and retailers alike.


We are forthcoming in our interests to be able to sell – legally – e-cigarette products to consumers, in accordance with whatever legal framework is deemed appropriate, in order to provide consumers choice.

The demand for these products, currently widely available via overseas online alternatives, clearly exists. This represents a considerable loss of income for Australian-based retailers.

3. Retail's Role in the Reduction of Harm:

International evidence shows that e-cigarettes and vaporisers have the potential to help people reduce smoking and, in many cases, quit altogether. We owe it to the many Australians who smoke to provide them this option.





We also believe stores should have the right to legally sell other quit-smoking products, such as nicotine gum, lozenges and patches. Again, this is a move which will enable us to assist both smokers and retailers.

The ARA and AUSCAP emphasise the urgent need for Government to develop a framework for the legal sale of e-cigarettes and vaporisers. If Government is serious about reducing smoking among the population, they owe it to people who smoke to conveniently provide a better alternative.


E-cigarettes are a potential solution to reduce the incidence of smoking. We need to give these products a chance to succeed. There needs to be an understanding the market has changed, it is not about growing tobacco consumption or new smokers; for retailers, this is about supplying an alternative product to those who cannot give up their nicotine addiction and are sourcing alternatives through any means they can.


We should be making it easier – not harder - for people to access products that might help them quit. This extends to the legal use of liquid nicotine, in controlled quantities, in these devices. Just as some smokers find nicotine gums, lozenges and patches effective in helping them to quit smoking, providing more alternatives and greater choice for those looking to quit smoking should be a given.

Our members report an increasing volume of customer enquiries regarding the availability not only of e-cigarettes and vaporisers, but other stop-smoking products too. There is clear demand from adult customers for greater access to products with the capacity to help them stop smoking.

We believe there needs to be harmonization across states and territories due to Western Australia essentially banning e-cigarettes and vaporisers, some treating them as tobacco products, some awaiting Federal direction and some not contemplating at all. Smokers should have access regardless of the jurisdiction in which they live.

If a proper framework is not developed quickly to govern the legal sale of e-cigarettes and vaporisers, inevitably, as has proven the case with tobacco, the black market will fill the gap. Illicit e-cigarettes and vaporisers, like illicit tobacco, are by their very nature non-compliant with any mandatory quality, safety or packaging requirements. Yet they are already available for sale – and not through responsible, trained retailers or a trusted supply chain.





We think that regulation should be as a consumer good under the auspices of the WA Consumer Protection framework with strict mandatory standards to ensure safety and effectiveness.

The ARA and AUSCAP support restrictions on the sale of e-cigarettes and vaporisers to minors, ensuring the products are child tamper proof, contain an ingredients list and meet minimum safety and quality standards.

4. WA's Lost Opportunity:

Research by Wells Fargo indicates US retail sales of electronic smoking devices could top the \$10 billion mark in 2018 due to ongoing interest by both manufacturers and consumers.

As proven by their responsible sale of restricted products such as lottery tickets and tobacco, retail stores are more than capable of responsibly selling these products.


It is worth considering international evidence of the success of e-cigarette devices as a tobacco harm reduction measure and understand the approaches used by other nations around the world.


In the US and UK, among other nations, e-cigarettes and vaporisers have been in circulation and available for sale for much longer than in Australia. These products are relatively new to our market; it therefore makes sense to consider the impacts of these products in other countries.

International studies back up the potential role e-cigarettes and vaporisers can play in tackling smoking, with research showing that e-cigarettes and vaporisers represent a safer alternative to smoking and that they can help some people in their efforts to quit.

An August 2015 study commissioned by Public Health England¹ stated that e-cigarettes and vaporisers are around 95% safer than smoked tobacco.

¹ Public Health England 2015, *E-cigarettes around 95% less harmful than tobacco estimates landmark review report*, <<https://www.gov.uk/government/news/e-cigarettes-around-95-less-harmful-than-tobacco-estimates-landmark-review>>.





In July 2016, Public Health England was joined by numerous other UK public health organisations to release a joint statement² on developing a public health consensus on e-cigarettes and vaporisers, products they state, “are the most popular quitting tool in the country with more than 10 times as many people using them than using local stop smoking services.”

The UK approach represents a key step forward in recognising that e-cigarettes and vaporisers are a much safer alternative to smoking and have a real and significant role to play in helping some smokers kick the habit.

There is a growing recognition on an international scale that e-cigarettes and vaporisers are among the most widely used and effective products to help people quit smoking. Australia is at risk of falling behind the rest of the world in making these products available to people who could benefit greatly from their use.

The fact that the UK’s most authoritative and respected public health bodies are calling for a public conversation to improve the general public’s awareness of the use and effects of e-cigarettes and vaporisers demonstrates the enormous opportunity these products provide.


The international evidence has struck a chord with select experts and bodies in Australia, including health professionals.


In Australia, Nicotine Alliance president Attila Danko has previously labelled draconian laws banning e-cigarettes and vaporisers as “monstrous.” Addressing a Senate inquiry in Sydney in early 2016, Dr Danko suggested smoking could become obsolete if laws banning e-cigarettes and vaporisers were overturned.

Conclusion:

The ARA and AUSCAP believe Australia must be part of this growing international movement towards the legal recognition of e-cigarettes and vaporisers as a viable alternative to help people stop smoking.

² Public Health England 2016, *E-Cigarettes: a developing public health consensus* report, <
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/534708/E-cigarettes_joint_consensus_statement_2016.pdf>





We need Western Australia to lead the development of a framework for the responsible sale of e-cigarettes and vaporisers in Australia before the black market – as it inevitably will – fills the gap.

Critical to the effectiveness of these products is the nicotine content, in agreed and controlled quantities, to broaden the choice for consumers from the nicotine gums, lozenges and patches currently on offer.

Our members thank the Standing Committee for the opportunity to be involved in this consultation and we would be pleased to discuss this submission further or be called as a witness, at your convenience.

Please contact ARA Director of Policy, Government and Corporate Relations, Heath Michael

Kind regards,

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