

Cignall Specialist Tobacconist Hervey Bay

Shop 33 Pialba Place Shopping Centre

HERVEY BAY QLD 4655

5th July 2017

For submission and consideration for Vaporised Nicotine Products.

I own and manage two retail tobacconists in central/southeast Queensland. We serve approximately three thousand consumers per week who provide approximately four and a half million (\$4,500,000) dollars in revenue to the government directly in excise on the products they currently buy.

In recent times enquiries about Vaporised smoking products have become increasingly frequent and in particular requests for nicotine containing liquids to be used in those products. As it is currently illegal to sell those we are forced to tell them consumer we cannot sell due to those reasons and they either walk away saying they will purchase online as they can get it there or they buy tobacco products however due to the pricing of tobacco products the first response is definitely becoming predominant.

The ability for the customer to do this is affecting our sales potential as we cannot offer them what they need so they source it online which means we make less profit as a business and therefore pay less income tax but it also disadvantages Australia as the income is then made overseas and no tax benefit flows back.

I feel there is an opportunity for the government to alleviate the affects of this situation by considering the legalisation of Vaporised Nicotine Products in Australia to be available in the Australian retail segment. There are a number of benefits Australia can obtain from this including sales being retained by Australian businesses which creates employment opportunities and maintains employment. Secondly it has the potential to reclaim excise dollars lost from consumers leaving the tobacco market and buying Vaporised Nicotine Products instead of their tobacco products. Thirdly but not exhaustively there is the potential to reduce the harm smoking products have within society by making what some studies have claimed to be 95% less harmful product to be available for smokers of nicotine products.

Care needs to be taken on making sure it is made available to the consumer in the right place. From my experience predominately Vaporised Smoking products are used to continue smoking while reducing cost to the consumer than as a quit smoking aid. On this basis I feel the specialist tobacconist channel, as we are primarily focused on tobacco and smoking products and therefore we are best prepared to offer the consumer the best option and marketing it, than in say a pharmacy as a quit smoking product which may undermine that effort when people want it to continue to have nicotine rather than quit.

The fact consumers are already sourcing Vaporised nicotine products from sources outside the retail segment is already impacting my business as I am losing sales as I cannot legally supply what the customer wants. If this product was handed to another segment then the consequences could be dire given the current trend of more consumers wanting to use the product since actual tobacco pricing is continually increasing due to government directives forcing more consumers to seek an alternative thus having to potential to vastly eradicate my sales and earnings potential.

Also consideration should be given to the quality of the liquids consumers are obtaining as there are no regulations on them and quality can be somewhat inconsistent and conditions where they are produced can be significantly under a standard we are used to. So legalising the product would give a position for regulations to be placed to increase the quality of the product.

So in summary legalising Vaporised Nicotine Products will have a number of benefits such as less potential harm for nicotine users as studies have suggested and giving an alternative to smoking tobacco to obtain their nicotine consumption, a continued income stream for the government from nicotine consumption which is a sizeable part of funding each year now, the ability for quality of product to be regulated and production facilities to be regulated also and maintaining and creating employment opportunities.

Thank you for taking this into account while making your determinations.

Yours sincerely,

Dale Simmons

Owner/Manger

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