

Senate Standing Committee on Community Affairs

ANSWERS TO QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 17 & 19 October 2012

Question: E12-032

OUTCOME 1: Population Health

Topic: PLAIN PACKAGING

Type of Question: Written Question on Notice

Senator : Senator Xenophon

Question:

In relation to the plain packaging legislation, can the department provide any information on whether contingencies have been included for small retailers? There are concerns that some retailers may not have a high enough stock turnover to have only plain packaging by the required date, and that they may lose out as tobacco companies will not accept returns of inappropriately packaged stock.

Answer:

The *Tobacco Plain Packaging Act 2011* (the Act) became law on 1 December 2011 and requires all tobacco products manufactured or packaged in Australia from 1 October 2012 for domestic consumption to be in plain packaging. All tobacco products must be sold in plain packaging from 1 December 2012. There is a two month sell-through period between 1 October 2012 and 1 December 2012 for non-compliant stock to flow through the supply chain and be sold between these dates.

The Department of Health and Ageing is aware of the concerns of small retailers in relation to the sell-through period, and is working to ensure that the legislation is effectively implemented whilst minimising the impact on small business.

The Department undertook extensive consultation with stakeholders, including retailers and small business groups when it developed the plain packaging measure and legislation. Following this consultation, the Government introduced amendments in the Senate to allow for a longer lead time for the implementation and to extend the sell-through period. The revised implementation timeframes were designed to give manufacturers and retailers enough time to make the changes required to meet the requirements under the legislation.

Retailers have been advised to carefully consider their inventories and manage their stock of non-plain packaged tobacco products in the period leading up to 1 December 2012. In August 2012, Information Kits were distributed to over 35,000 suppliers of tobacco products in Australia explaining the plain packaging requirements and encouraging appropriate stock management.