

Illegal tobacco trade

Hearing – 17/12/2025

Questions on Notice

QUESTION 1 – Page 3

The Hon. NATASHA MACLAREN-JONES –

KERRY CHANT: In terms of the taskforce that's co-chaired by Mr Hudson and myself and supported by the TCO, the taskforce represents a multitude of government agencies, from Service NSW, Fair Trading, Office of Liquor and Gaming – I'm just trying to remember all the members of the committee – so a broad across-government representation of portfolios that have either had experience in regulatory or small business perspectives, how to communicate with landlords or how to communicate with Planning. The taskforce has enabled Health and police to leverage off whole of government in its communications, its knowledge transfer and also the secondment of a significant number of staff from different agencies that have supported the creation of the Centre for Regulation and Enforcement. NSW Health has moved to increase our presence to about 48 officers within the regulatory and enforcement branch, and created a new branch which also represents statewide assets across the State. We've also had secondees from New South Wales police be embedded in that team to assist us with risk assessment and also to liaise with local operational commands for police assets, to support the work of our officers.

The Hon. NATASHA MACLAREN-JONES: The centre that has 48 staff – are they all Health or a mixture of Health and police?

KERRY CHANT: They're Health staff. We've currently got 42 and we're moving up to 48. We've also brought on some additional legal staff to support the significant prosecution workload and compliance workload. Police have seconded an officer to sit within our team. As I said, the purpose of that officer is a liaison function, plus also to assist us with risk assessment of the properties that we're potentially attending for compliance activities, in order to maintain the safety of our staff, which is at the forefront of our thinking.

The Hon. NATASHA MACLAREN-JONES: What is the overall budget for both the taskforce and the centre? Is that out of existing funds or a new allocation?

KERRY CHANT: We did receive some additional funding that the Commonwealth has flagged for us, and I can provide the details of that. If you'd like, I can take on notice the various components of the funding sources that have been used.

ANSWER

NSW Health received \$6.8 million over 3 years, beginning in 2023-24, relating to e-Cigarette and Tobacco reforms. An additional \$46 million over 5 years, beginning in 2024-25, was provided through the establishment of the Tobacco Licensing Scheme.

Ongoing negotiations are occurring with the Australian Government about further funding relating to illicit tobacco control measures.

QUESTION 2 – Page 8

The Hon. STEPHEN LAWRENCE

The Hon. STEPHEN LAWRENCE: In terms of the public health issues, Dr Chant, apart from the increase in tobacco use that might be caused by cheaper tobacco that's being offered to more people as the black market is a bigger percentage of the overall tobacco market, is there other public health detriment that we should be aware of? For example, is the illegal product more dangerous in some way? Is it more carcinogenic? Is there impurities in it? Is there other issues? There's obviously the public health warning issue as well and that not being on the product.

KERRY CHANT: There is a potential risk, particularly with the loose-leaf product and some things I've historically been aware of, some of the quality control issues — not that I support tobacco. Tobacco is not a good product for anyone. The best thing is not to smoke. But there have been potential issues with some of the quality aspects of some of the products. I particularly recall some stuff with loose leaf, so perhaps we could provide the Committee with some information about quality aspects of the other product.

ANSWER

Regardless of their provenance, all tobacco products contain toxins and carcinogens that harm health. Tobacco is the leading cause of preventable death and the second highest contributor to the burden of disease in Australia.

Illicit tobacco includes tobacco products that have bypassed packaging regulations aimed at making tobacco less attractive, as well as products that have evaded excise, allowing them to be sold at a lower price. This undermines effective and evidence-based tools for reducing tobacco consumption.

Illicit tobacco products sold in Australia are mostly commercially produced and packaged products intended for different international markets, without Australia's world-leading plain packaging regulations. They are produced and sold largely by multinational tobacco companies to similar manufacturing standards as legal tobacco products. The increased risk of illicit tobacco is not in the products themselves, but in their capacity to make tobacco more cheaply and easily accessible.

Historically, there has been some risk associated with unbranded loose tobacco containing potentially harmful mould spores.

QUESTION 3 – Page 10

The Hon. STEPHEN LAWRENCE

The Hon. STEPHEN LAWRENCE: In terms of vapes, in New Zealand — I think it was in 2020 — they legalised vapes, Dr Chant, and their smoking rates have dropped more than ours since. I was wondering if you could give us your thoughts on the New Zealand approach — how it compares to ours, and how it might affect overall public health outcomes?

KERRY CHANT: I would like to get some more recent experience and provide the Committee with a written submission on the New Zealand response because sometimes we're comparing different data with different data and also things do have a lag for the impacts. I would like to get some more contemporary information, if that would be appropriate.

The Hon. STEPHEN LAWRENCE: Sure, absolutely. Thank you so much.

ANSWER

Australia and New Zealand both allow nicotine vaping goods to be sold to people aged 18 and over. In Australia, the sale of vaping goods is restricted to licensed community pharmacies, while New Zealand allows any businesses to be licensed to sell nicotine vaping goods as a recreational consumer product.

Daily smoking statistics are collected annually in NSW using the NSW Population Health Survey. New Zealand also collects daily prevalence data using a similar population survey method.

In 2024, results of the NSW Population Health Survey reported that 6.9% of people in NSW smoked daily. New Zealand reported a similar daily smoking rate of 6.9% in 2023-24, with recently released data from the New Zealand Health Survey indicating that this figure fell to 6.8% in 2024-25. The data does not indicate a meaningful difference between daily smoking in NSW and New Zealand.

There is a significant difference in the youth vaping rate between NSW and New Zealand. The New Zealand Health Survey reported that 21.3% of people aged 15-24 in New Zealand vaped daily in 2023-24, whereas the NSW Population Health Survey showed that the daily vaping rate for people aged 16-24 was 11.8% across the 2023 and 2024 calendar years.

There is a growing body of evidence to indicate that young people who vape are more likely to take up smoking. Published evidence from the Australian Generation Vape Research Project shows that young people who vape are as much as five times as likely to take up smoking than young people who do not vape. Regarding overall public health outcomes from the data, a larger proportion of young people in New Zealand are exposed to addictive nicotine than in NSW.

Evidence shows that regular use of nicotine in adolescence can increase the risk of dependence on nicotine and other substances in later life. There is also evidence that regular consumption of nicotine by young people can impair brain development, attention, learning and memory, and is linked to mood changes, and increased stress, depression and anxiety.

QUESTION 4 – Page 10

The Hon. NICHOLE OVERALL

The Hon. NICHOLE OVERALL: Just very briefly, of the 42 to 48 enforcement officers, you're talking about regional staff under a centralised model. How many regional staff specifically?

KERRY CHANT: We're recruiting regionally, so I just don't want to mislead the Committee. I'll give you the exact breakdown by regional and metropolitan staff, but we have staff located in all of our local health districts across the State.

The Hon. NICHOLE OVERALL: Can you take that on notice to give us the breakdown?

KERRY CHANT: I will take that on notice and give you that.

ANSWER

As at 30 January 2026, there were 28 assigned positions in regional locations.