

**NSW Legislative Council
Inquiry into the Illicit Tobacco Trade**

Response to Cancer Council NSW Supplementary Questions.

Introduction.

We thank the Committee for the opportunity to respond to supplementary questions to our submission and witness testimony to the Inquiry.

In our answers below we emphasise that the National Tobacco Strategy 2023-2030¹ provides the evidence-based framework for comprehensive action to reduce tobacco (and e-cigarette) related harm in Australia. Priority Area 8: *Strengthen regulation to reduce the supply, availability and accessibility of tobacco products* specifically includes a range of actions to control the illicit tobacco trade.

The NSW Government has clearly identified implementation responsibilities under the Strategy. We therefore encourage the Committee to focus its recommendations on what the NSW Government can do *within its policy and legislative remit*, to address the illicit tobacco trade.

A. Supplementary Questions & Responses.

1. In emphasising stronger penalties and enforcement, what evidence did Cancer Council NSW rely on from jurisdictions with similarly high excise settings where such measures demonstrably reduced illicit tobacco markets?

Response:

In the Australian context, our submission recommendations drew from evidence from the approach taken in other jurisdictions who adopted similar policy approaches, albeit ahead of NSW. Our submission specifically referred to South Australia and Queensland, which have the same excise settings as NSW.

A) South Australia

In June 2025, the South Australian Government introduced greater police powers, longer closure orders, new offences and harsher penalties for South Australian premises suspected of selling illegal tobacco and vapes. South Australia now has the strongest enforcement framework in Australia, including the largest penalties of any jurisdiction - with fines of up to \$1.5million for individuals caught selling illegal tobacco/vapes and up to \$6.6 million for supply and possession of commercial quantities.

A taskforce was established within the South Australian (SA) Consumer and Business Services (CBS) department. Both SA Police and CBS have powers to enforce penalties and restrict licensing. South Australia has successfully disrupted the illegal tobacco trade through strong enforcement, including ramped up inspections and coordinated operations between SA Police, CBS and Australian Border Force.

South Australia has sustained high volume seizures of illegal tobacco and vapes² and issued 71 closure orders over a period of just four months in 2025. While sustained action is required, SA Police and CBS report that organised crime cash flows *have* been disrupted by their enforcement action to date.³

B) Queensland

Strengthened laws in Queensland, coupled with strong enforcement action, have already had an impact on illegal tobacco sales. The Queensland Government significantly boosted its compliance and enforcement workforce in 2025, adding an additional 25% capacity.⁴ Coordinated operations have already resulted in the short-term (3 month) closure of 199 stores selling illegal tobacco since November 2025.⁵

Amendments to the *Tobacco and Other Smoking Products Act 1998 (Qld)* also permit Queensland Health to promptly forfeit and destroy vaping goods upon seizure and empower courts to order persons convicted of offences under the Act to pay the Queensland government for reasonable costs incurred because of the offence.

2. What indicators does Cancer Council NSW use to assess whether current tobacco policy settings in NSW are achieving their intended outcomes?

Response.

We use evidence-based indicators drawn from Australia's National Tobacco Strategy and related NSW Tobacco Action Plan to assess whether tobacco policy settings are achieving their intended outcomes.

The key National Tobacco Strategy **objectives** that align with NSW Government implementation responsibility include:

- Reduce smoking prevalence across the population
- Reduce tobacco-related inequalities
- Prevent uptake of tobacco use, especially among young people
- Support cessation and sustained abstinence
- Minimise exposure to second-hand smoke.

The **indicators** we use to assess NSW policy progress include, but are not limited to:

- Trends in awareness of smoking and vaping harms.
- Trends in daily smoking and vaping prevalence, across various demographic and age sub-groups.
- Incidence and prevalence rates and trends among priority populations and across SES indicators (e.g Aboriginal communities; SES disadvantage, Psychosocial disability etc).
- Trends in tobacco and vaping uptake among young people.
- Trends in tobacco and vaping use patterns among existing users.
- Trends in cessation intentions/actions and outcomes.
- Access to and uptake of cessation services, across demographic sub-groups.
- Funding and reach of public education campaigns funded by the NSW Government.
- Trends in regulatory compliance among tobacco sellers.

- Trends in reported exposure to second-hand smoke (among community members and employees).

3. What evidence did Cancer Council NSW rely on to conclude that increased enforcement reduces total tobacco consumption rather than displacing access to illicit supply?

Response:

We assume this question refers specifically to our submission recommendations - numbers 12, 13 & 15. Our submission stated, well-resourced, sustained and effective compliance and enforcement activity is critical to the success of the new tobacco licensing scheme in NSW. Prior to this, retailers have been able to openly sell illegal products with little repercussion.

A key objective of increased enforcement is to **reduce the availability** of illicit tobacco. This is counter to the argument that increased enforcement leads to greater access to the illicit tobacco supply. Increased enforcement in NSW⁶ and other jurisdictions⁸ has already resulted in increased seizures of illegal tobacco products, store closure orders, landlord provisions, financial penalties and additional prosecutions. Collectively, these enforcement actions reduce access to the illicit tobacco supply.

Evidence indicates that strong laws and enforcement programs can contribute to reductions in smoking among young people. For example, enforcement of laws to reduce illegal sales of tobacco to children have resulted in a decrease in the proportion of young people purchasing tobacco products over time.⁹

There are promising early indicators of success in Queensland, suggesting that strong enforcement can reduce overall tobacco consumption rather than simply displacing access to illicit supply. In 2025, Queensland Quitline received 32,524 calls, compared with 26,274 in 2024, a 24% increase in Queenslanders seeking help to stop smoking or vaping. Notably, one of the busiest periods for Quitline occurred in late 2025, when call volumes more than doubled compared with the same period in 2024 (2,238 calls between 19 November and 31 December 2025, compared with 1,086 calls in the equivalent period in 2024, a 106% increase). This surge coincided with Operation Major, a Queensland Health led, 10-day statewide enforcement operation that resulted in 148 stores being closed. Together, these early signals suggest that a comprehensive approach, including visible, sustained enforcement alongside cessation support, can prompt increased quit attempts and reduced consumption, rather than simply shifting smokers and vapers to alternative illicit sources.

Additionally, the Illicit Tobacco and E-cigarette Commissioner Report 2024-25¹⁰ published in December 2025 notes that enforcement is most effective when applied as part of a **multi-pronged approach** that simultaneously raises the risks for illicit suppliers and reinforces demand-reduction measures.

4. What evidence or indicators does Cancer Council NSW use to determine whether increased enforcement is effective when illicit tobacco availability increases at the same time?

Response:

As noted above, increased enforcement aims to reduce the availability of illicit tobacco, along with ensuring tobacco seller compliance with all provisions in the NSW Public Health (Tobacco) Act.

To determine whether increased enforcement is effective in NSW, we consider a range of measures to make an assessment. In addition to the indicators outlined in Question 2, other **evidence-based indicators** we will use include:

- Trend data from valid and reliable surveysⁱ that monitor product purchasing behaviours and perceptions.
- Policy implementation metrics reported by the NSW Government, including number of tobacco retail and wholesale licence applications; refusals, breaches, suspensions and changes over time.
- Number and location of NSW Tobacco Closure Orders issued, and changes over time, as published on the [Tobacco closure orders register](#).
- Number of successful prosecutions for serious breaches of the Public Health (Tobacco) Act.
- Community perceptions of changes in tobacco retail environments.

5. What empirical evidence supports the claim that reduced visibility of tobacco outlets results in reduced harm in an environment where illicit supply is widely available?**Response:**

In public health, the absence of a fully established empirical evidence base does not preclude decisive policy action where emerging evidence indicates a credible risk to population health. In that scenario, we use the highest quality evidence available to make informed recommendations. As demonstrated by Australia's initial COVID-19 response, public health decision-making appropriately prioritised timely, precautionary action based on the best available evidence where credible risks to population health were identified rather than deferring action until definitive evidence was available.

Multiple studies indicate that high retail density and the widespread distribution of tobacco retailers contribute to smoking uptake, maintenance and relapse.^{11 12} The presence of tobacco retailers near schools also contributes to tobacco purchasing and smoking prevalence in adolescents in Australia.^{13 14}

This position is also supported by NSW-specific evidence from a study¹⁵ led by the NSW Government's Cancer Institute NSW evaluating the 2010 policy change which banned tobacco point-of-sale displays. The study found that following the removal of visible tobacco displays, young people were significantly less likely to recall tobacco products, report tobacco brand awareness, overestimate peer smoking, or be current smokers. These effects were strongest among adolescents and young adults who most frequently visited retail outlets selling tobacco. The authors concluded that reduced visibility of tobacco at the point of sale positively contributed to the denormalisation of smoking among young people.

ⁱ These include the National Drug Strategy Household Survey, Australian Secondary Student Alcohol and Drug survey, The Generation Vape study. See also: [Home Page - Tobacco in Australia](#).

It is logical therefore that having less tobacco outlets (i.e. reduced visibility) is *one* strategy to prevent harm from tobacco use, as part of a comprehensive approach to tobacco control. Enforcement action to reduce illegal sales, including tobacco licencing, the use of temporary closure orders, and improved powers for landlords to terminate leases in certain circumstances, has the potential to reduce the number and visibility of tobacco outlets in NSW.

6. How do Cancer Council NSW's recommendations account for widespread consumer awareness of illicit tobacco availability?

Response:

Our recommendations focussed on the need for:

- coordinated action between state and federal governments,
- greater enforcement of strengthened NSW tobacco legislation,
- an enhanced compliance and enforcement workforce,
- ongoing investment in evidence-based public awareness campaign and cessation services, and
- safeguarding the integrity of this Inquiry by upholding Australia's obligations as a signatory to the World Health Organisation Framework Convention on Tobacco Control.

Consumer awareness of illicit tobacco availability does not diminish the need for these actions, as their intent is to reduce demand for, and access to, both illicit and legal tobacco.

7. What NSW-specific evidence did Cancer Council NSW rely on to conclude that youth uptake is primarily driven by lawful retail outlets rather than illicit access?

Response:

We assume this question relates to the question posed to Cancer Council witnesses by the Hon. Stephen Lawrence (transcript Page 40) about the potential risk of online sales increasing if greater enforcement impacts the number of shopfronts selling tobacco products.

Our evidence specifically referred to the Generation Vape¹⁶ study, which examines awareness, perceptions, attitudes, knowledge and behaviours of e-cigarette use among young people aged 14-17 years and young adults aged 18-24 years. Our evidence at the hearings referred to bricks-and-mortar stores as a key access channel for young people and young adults who purchase their own vape/e-cigarette.

Key findings are outlined below, from the most recent study data¹⁷ collected in October 2025.

Among young people/teens aged 14-17 years:

- Twenty three percent of those who had ever vaped purchased the vape themselves.
- The **most common place** where teens purchased vapes from was tobacconists or tobacco shops, increasing from 25.5% in April 2024 to 79% in October 2025.
- Physical vape stores and convenience stores were also common outlets for teens purchasing vapes in NSW.
- Of those who **did not** buy the vapes themselves (77%), the majority obtained vapes from friends (79%), while 11% said they got someone else to buy it for them.
- Teens were asked where they had seen or heard promotions for vapes (including images and videos) in NSW. In-store advertising at physical retail outlets including tobacconists, vape stores, convenience stores and petrol stations were among the most common responses.

Among young adults aged 18-24 years:

- Over three quarters who currently vape (76%) reported purchasing their vaping products themselves.
- Of those who purchased the vapes themselves, over half (57%) purchased from a physical tobacconist or tobacco shop, 10% from convenience stores and 10% from physical vape stores.
- Of those who did not buy the vapes themselves (24%), the majority obtained them from friends (85%) and 9% said a family member gave or shared it with them.
- Only 6% of current vapers had a prescription from a health professional to access them (this finding remains consistent between April 2024 and October 2025).

In relation to **tobacco** access among adolescents, data from the Australian Secondary Students' Alcohol and Drug (ASSAD) Survey in 2022–23⁴ showed that the most common way for adolescents to access cigarettes was through friends (50.3%), followed by purchasing it themselves (12%).¹⁸ Regardless of how they access tobacco, exposure to tobacco retailing is associated with an increased likelihood of experimentation, initiation and uptake of smoking among children and young people.¹⁹

The reference to lawful retail outlets vs illicit sales in the supplementary question is somewhat confusing. Any store that sells tobacco or e-cigarettes to young people aged under 18 years old is breaking the law (except a pharmacy selling vapes on prescription), irrespective of whether the tobacco product itself was 'legal' (excise paid).

8. What metrics would Cancer Council NSW regard as indicating that current tobacco control settings are not achieving their intended public health outcomes?

Response:

This question seems to be the corollary to Questions 2 & 4, which asked about indicators of success. The same indicators and valid data sources are relevant, but if **long term trend data** was in the opposite direction we would conclude that the policy settings were not achieving their intended outcomes.

9. Has Cancer Council NSW undertaken analysis regarding the balance between enforcement costs and public health gains under current policy settings?

Response:

Tobacco smoking imposes significant economic and social costs on the health system and the wider community, estimated at \$155.4 billion in 2020-21.²⁰ Economic evaluations of tobacco control policies and programs consistently conclude that they are cost-saving and/or cost effective.²¹ The new tobacco licencing scheme will generate a new revenue stream, through annual licence fees, that can be used to fund increased enforcement.

Cancer Council NSW has not undertaken a specific cost-benefit analysis of the current policy settings. An updated estimate of the national and NSW social costs of smoking would be valuable.

References

- ¹ [National Tobacco Strategy 2023–2030 | Australian Government Department of Health, Disability and Ageing](#)
- ² [SA leads the way in fight against illicit tobacco | Consumer and Business Services](#)
- ³ [\\$1.5 million in illegal tobacco seized in Mid-North SA and Eyre Peninsula raids - ABC News](#)
- ⁴ [Record crackdown continues on illicit tobacco and vape trade - Ministerial Media Statements](#)
- ⁵ [Qld illicit tobacco raids: State seizes \\$15.7 million in illegal goods, shuts down 148 tobacconists](#)
- ⁶ [Illegal tobacco stores shut down in Illawarra and Riverina](#)
- ⁷ [Minns Labor Government shuts down five illegal tobacconists](#)
- ⁸ [Qld illicit tobacco raids: State seizes \\$15.7 million in illegal goods, shuts down 148 tobacconists](#)
- ⁹ [5.11 Accessibility of tobacco products to young people - Tobacco in Australia](#)
- ¹⁰ Commonwealth of Australia 2025, Illicit Tobacco and E-cigarette Commissioner Report 2024-2025.
- ¹¹ Loomis, B.R., et al., *The density of tobacco retailers and its association with attitudes toward smoking, exposure to point-of-sale tobacco advertising, cigarette purchasing, and smoking among New York youth*. *Prev Med*, 2012. **55**(5): p. 468-74.
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- ²⁰ [Alcohol, tobacco & other drugs in Australia, About - Australian Institute of Health and Welfare](#)
- ²¹ [17.4 Economic evaluations of tobacco control interventions - Tobacco in Australia](#)
- ²² [National Drug Strategy Household Survey 2022–2023: Tobacco smoking in the NDSHS - Australian Institute of Health and Welfare](#)
- ²³ Bayly, M, Kalitsis, L and Scollo, M. 10.8 Characteristics of the Australian retail tobacco market. In Greenhalgh, EM, Scollo, MM and Winstanley, MH [editors]. *Tobacco in Australia: Facts and issues*. Melbourne : Cancer Council Victoria; 2025. Available from <https://www.tobaccoinaustralia.org.au/chapter-10-tobacco-industry/10-8-characteristics-of-the-australian-retail-tobacco-market>