

## **INQUIRY INTO ILLEGAL TOBACCO TRADE**

**Organisation:** Ms Jacqui Scruby MP

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# Submission to Portfolio Committee No. 5 – Inquiry into the Illegal Tobacco Trade

Jacqui Scruby MP, Independent Member for Pittwater  
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## 1. Executive Summary

Thank you for the opportunity to make this submission to the NSW Parliament's Inquiry into the Illegal Tobacco Trade.

Pittwater is a region that has long prided itself on its active, healthy outdoor lifestyle. We have some of Sydney's highest youth sports participation rates - including in, by way of example, surf lifesaving and football. Northern Sydney more broadly has consistently recorded lower smoking rates than the New South Wales average.<sup>1</sup>

However, my community is concerned that our healthy lifestyle is now threatened by the rapid, poorly regulated spread of tobacconists and vape shops setting up metres from school gates, childcare centres, surf clubs and playgrounds.

In just two years, Pittwater has witnessed small suburban strips once home to cafés and bookshops become dotted with bright, cheap tobacco and vape outlets, often styling themselves like lolly shops. Residents, schools, parent associations and local shopkeepers have raised their concerns with me: this is not normal retail - it is systematically organised, often with criminal links, feeding an illicit market that endangers children and undermines decades of good health policy.

This Inquiry is welcome, and long overdue. It follows the Commonwealth Parliamentary Joint Committee on Law Enforcement Inquiry into Illicit Tobacco (**the Commonwealth Inquiry**) which handed down its report in 2020,<sup>2</sup> and the Victorian Public Accounts and Estimates Committee

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<sup>1</sup> See NSW Population Health Survey (SAPHaRI). Centre for Epidemiology and Evidence, NSW Ministry of Health, accessed via: <https://www.healthstats.nsw.gov.au/indicator?name=-beh-smo-cat-daily-phs&location=LHD&view=Trend&measure=prevalence&confidence=true&groups=&compare=LHD&filter=LHD.All%20LHDs>

<sup>2</sup> Parliamentary Joint Committee on Law Enforcement, *Illicit Tobacco*, November 2020, accessed via: [https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/024342/toc\\_pdf/IllicitTobacco.pdf;fileType=application%2Fpdf#page=15](https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/024342/toc_pdf/IllicitTobacco.pdf;fileType=application%2Fpdf#page=15)

Inquiry on Vaping and tobacco controls (**the Victorian Inquiry**), which handed down its report in 2024.<sup>3</sup>

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<sup>3</sup> Public Accounts and Estimates Committee, Parliament of Victoria, *Inquiry into Vaping and Tobacco Controls*, Report No. 9 of the 60th Parliament, March 2024, accessed via: <https://www.parliament.vic.gov.au/495d36/contentassets/e60aeb0c9e7642f3a4342baef12832b0/paec-60-09-inquiry-into-vaping-and-tobacco-controls.pdf#page=70>

## 2. Recommendations

On behalf of the Pittwater community, I make the following recommendations to the Committee:

1. **Introduce Location Planning Restrictions:**

Establish mandatory buffer zones of at least 500 metres between any premises selling tobacco or vape products and schools, childcare centres, youth facilities, and playgrounds. This should apply to both new development applications and existing stores upon licence renewal.

2. **Transfer and Resource Enforcement:**

Shift primary enforcement responsibility from NSW Health to a better-equipped agency such as NSW Fair Trading or NSW Police, with appropriate resourcing, legal authority, and protections for compliance officers.

3. **Toughen Penalties and Introduce Closure Powers**

Align NSW penalty levels with jurisdictions like South Australia and Queensland, including introducing criminal penalties for unlawful retailing and significant fines. Empower regulators to issue immediate temporary closure orders for retailers found to be selling illegal tobacco or vapes, pending investigation or court proceedings.

4. **Improve Local Education and Prevention**

Fund community-based education campaigns in partnership with schools, councils and local health districts, focused on preventing uptake of vaping and smoking among young people. Materials should explicitly address the targeting of youth by illegal retailers and normalisation of tobacco in retail precincts.

5. **Advance Federal Reform**

Advocate for a nationally consistent tobacco and vape licensing regime, including:

- A public register of licensed retailers and wholesalers
- Prohibitions on unlicensed importation or manufacture
- Clear standards for product labelling and packaging
- Coordination between federal, state and territory agencies on enforcement and intelligence sharing
- National reform must also include clear guidance on the safe seizure, storage and disposal of illegal vaping products, which currently present fire, health and environmental risks.

**6. Introduce Environmental Accountability for Seized Products**

Mandate that entities convicted of illegal sales contribute to the cost of seizure, transport, secure storage and disposal of vaping and tobacco products. NSW should adopt best-practice disposal protocols based on evidence from Victoria's major seizures and fire safety advice from WorkSafe.

### 3. Organised Crime and Community Fear

The growth of tobacconists in Pittwater is visible. According to the *Northern Beaches Advocate* (June 2025), community concerns about the links to organised crime have escalated in recent months, no doubt fueled by extensive national media reporting of firebombings and violence in Victoria and Western Sydney.<sup>4</sup> On the Northern Beaches more broadly, we have witnessed associated violence, including a tobacconist at Collaroy who was recently robbed at knifepoint and a store attendant assaulted in Dee Why.<sup>5</sup>

The bulk of Australia's illicit tobacco market is controlled by organised criminal syndicates.<sup>6</sup> This conclusion is supported by multiple government inquiries, including the report of the Commonwealth Inquiry, which found that organised crime groups are involved at every stage of the illicit tobacco supply chain - from importation and cultivation to wholesale and retail distribution.<sup>7</sup> Our community is aware of, and significantly concerned about, this link.

While Pittwater has not (yet) seen the firebombings that have plagued Melbourne - where over 100 such incidents have occurred in connection with turf wars over illegal tobacco profits - the fear is real. I am told that shopkeepers worry about speaking up, particularly those in proximity to illicit traders. Residents are concerned not only about personal safety, but also about the impacts on surrounding businesses, landlords, and strata insurance where stores suspected of criminal connections open suddenly in quiet neighbourhood centres. The Victorian Inquiry into vaping and tobacco controls found that crimes associated with the illicit trade included arson attacks, extortion, firearm-related violence, the recruitment of youth offenders, and links to money laundering through associated convenience stores.<sup>8</sup>

The NSW Premier has acknowledged that fines for non-compliant retailers are often viewed as merely "the cost of doing business" - they have to date been insufficient to deter criminal activity.<sup>9</sup> Indeed, some tobacconists have been observed continuing to trade even after raids or fines, suggesting enforcement lacks deterrent value. On 1 July 2025, however, significant reforms came into effect under the *Public Health (Tobacco) Amendment Bill (No. 2) 2024*, introducing a new positive licensing scheme. This regime requires that all wholesalers and retailers of tobacco and non-tobacco smoking products be licensed, with grounds for refusal or cancellation

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<sup>4</sup> See: <https://www.northernbeachesadvocate.com.au/2025/06/27/calls-for-tobacconist-curbs/>

<sup>5</sup> See: <https://www.northernbeachesadvocate.com.au/2025/06/27/calls-for-tobacconist-curbs/>

<sup>6</sup> Parliamentary Joint Committee on Law Enforcement, *Illicit Tobacco*, November 2020, accessed via: [https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/024342/toc\\_pdf/IllicitTobacco.pdf;fileType=application%2Fpdf#page=9](https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/024342/toc_pdf/IllicitTobacco.pdf;fileType=application%2Fpdf#page=9)

<sup>7</sup> *Ibid*, at p 1.

<sup>8</sup> Public Accounts and Estimates Committee, Parliament of Victoria, *Inquiry into Vaping and Tobacco Controls*, Report No. 9 of the 60th Parliament, March 2024, accessed via: <https://www.parliament.vic.gov.au/495d36/contentassets/e60aeb0c9e7642f3a4342baef12832b0/paec-60-09-inquiry-into-vaping-and-tobacco-controls.pdf#page=70>

<sup>9</sup> Ben Fordham Live Sydney, 3 June 2025, 2GB Sydney.

including where there is a history of related offences or police advice. Maximum fines for selling without a licence have been increased to \$220,000 for corporations and \$44,000 for individuals for repeated offences.

While this is a welcome shift, it remains to be seen whether the licensing framework will be enough to displace organised criminal networks or deter illegitimate operators. There are concerns that the penalties are still too weak compared to other jurisdictions. For example, South Australia has introduced the strongest penalties in the country — up to \$750,000 for a first offence, \$1.1 million for a second offence of selling without a licence, and up to \$1.5 million for selling to a minor. Queensland has also recently introduced closure orders and fines of up to \$322,600 or two years' imprisonment.

The NSW Liberal-National Coalition has proposed further reforms, including criminal penalties of up to 7 years' imprisonment and powers to issue closure orders for offending retailers. These would bring NSW closer into line with national best practice.

Despite these developments, it is clear that fear in the community persists. Pittwater residents continue to express concern about what may happen if more tobacconists linked to organised crime are allowed to proliferate. This fear is not speculative — it is informed by national patterns, local incidents, and a feeling of helplessness in the face of a sophisticated and dangerous underground industry.

### **Community Correspondence Received**

Below is a sample of correspondence received by my office in relation to links to crime:

- *"You don't pay thousands a week in Mona Vale rent selling soft drinks. The police have raided them. They move down the street. We all know who's behind this."*
- *"The proliferation of these shops are extremely alarming and as I already mentioned we don't want to see hold ups and fire bombings in NSW like in Victoria."*
- *"I feel it will bring crime to the area."*
- *"Outside the tobacco shop, weird people were congregating and smoking. It didn't feel safe."*
- *"There's been more crime in the Warriewood area too. The IGA was robbed the other day, and I witnessed a young person walk out of Aldi with a Coke bottle... No-one wants to intervene because we're afraid we'll be injured or killed."*

- *“There is strong evidence to support the belief that these premises are selling contraband cigarettes, various forms of cannabis and illicit drugs. In many instances, these premises attract a cohort of patrons who are not model citizens and not desirable role models for the youth in our community.”*
- *“As a parent of a teenager, and a local GP ... I am deeply concerned about these outlets selling illegal tobacco and vapes - especially to our children - and the impact it has on the landscape of our local communities. The association with organised crime is concerning, and probably prevents a lot of community members speaking up about it on media (myself included).”*

## 4. Children, Schools and Location Loopholes

The location of stores is the issue that I receive the most correspondence about from Pittwater residents in relation to illegal tobacco and vape sales. We are witnessing a clustering of tobacconists in close proximity to schools, playgrounds, shopping strips, and bus stops used by school-aged children.

These stores are often styled with bright colours, cartoonish fonts, neon signage, and window displays featuring lollies and drinks - characteristics that mimic traditional lolly shops. They're not just selling tobacco and vapes; they're packaging them to look child-friendly. The consequence is a growing normalisation of these products in the everyday environments that children move through.

This is not just a local issue. North Sydney Council recently unanimously passed a motion capturing similar concerns.<sup>10</sup> Cammeray Public School parents reported that students were able to walk into nearby stores and purchase vapes without identification checks. Council noted the lack of legislative power to prevent or limit the opening of tobacco and vape retailers near schools or childcare facilities — even where strong community opposition existed.

Other states have acted. In Western Australia, regulations introduced in 2007 prohibit the establishment of tobacco retail outlets within 300 metres of a school. In contrast, NSW currently imposes no minimum distance requirements between tobacconists and schools, playgrounds, or childcare centres. This is despite the fact that NSW applies such restrictions to other regulated venues: for instance, liquor licences and brothels may be refused or conditioned if located near sensitive sites such as schools, places of worship, or residential areas.

Constituents in Pittwater have made it clear that this inconsistency is no longer acceptable. Many have provided detailed accounts of how this problem is playing out on the ground, set out in the table below.

<b>Community Correspondence Received</b>
<ul style="list-style-type: none"><li>• : A tobacconist opened less than 500 metres from Primary School and opposite a school bus stop. The store is styled to look like a lolly store, presumably to attract children. Local parents found they could buy illegal</li></ul>

<sup>10</sup> See MM02: Advocacy on the location of tobacconists near schools, accessed via: <https://www.northsydney.nsw.gov.au/ecm/download/document-10865560>

cigarettes for \$10 by simply asking for “cheap smokes”. They have written to me to express their dismay:

*“Our shopping trip has always struggled to maintain a positive tone and attract the kinds of businesses that truly service and uplift the local community. The arrival of this store has only added to the challenges, casting a shadow over the area and prompting widespread dismay among local residents.*

*The notion of cheap \$10 a pack cigarettes and sweets being sold under the same roof, within walking distance of a primary school, is not just disturbing, it’s unacceptable. What kind of message are we sending to the next generation?”*

- **Mona Vale:** The old Vodafone shop is now a tobacconist, only a few hundred metres from Mona Vale Primary School. The tobacco shops in Mona Vale include one near a toy shop. The shop near the school was running a sponsored advertising campaign on Facebook. When a local parent commented about the proximity of the store to the school, the store manager replied in writing:

*“That’s what we call being strategic”.*

- **North Narrabeen:** A resident noted the sudden explosion of tobacconists in North Narrabeen in the last 6-12 months:

*“Particularly in our electorate where only a few years ago we were boasting amongst the lowest smoking rates in the country. How have we gone from this position to suddenly needing 2 (or more) tobacconists in every suburb? We can all see they are clearly targeting kids and they even look more like lolly shops. They are usually located near schools or on school routes.”*

- **Newport:** A resident has noted that, within just a 300-metre stretch in Newport, there are six locations that sell tobacco products:

*“Is this truly what our community needs, especially considering the increasing number of children using vaping products? Newport is meant to be a family-oriented neighbourhood, yet we are allowing an over-saturation of tobacco-related businesses, two of which are candy stores reportedly selling vapes illegally. This not only undermines our community values but also poses serious health risks to our youth.”*

## 5. Enforcement Weaknesses

Pittwater residents repeatedly raise concerns about enforcement. The most common question is: who is responsible? Is it the police, council, or NSW Health? The answer is: currently, enforcement of tobacco and vape laws in New South Wales sits primarily with NSW Health. However, enforcement is failing.

NSW Health compliance officers are tasked with inspecting retailers and issuing penalties for breaches under the *Public Health (Tobacco) Act 2008*. But there are serious resourcing constraints. As recently as early 2025, there were reportedly just 14 inspectors across the state, responsible for regulating over 20,000 retailers.<sup>11</sup> Following public pressure, the NSW Government committed to doubling the team to 28 officers — but even at this level, each officer would be responsible for more than 714 stores statewide. This level of coverage is unworkable and makes effective compliance impossible.

Moreover, Health officers are reporting that they are increasingly reluctant to visit non-compliant premises due to threats and fears of retaliation. As noted in the Victorian Inquiry, and echoed by NSW media reports and stakeholders, enforcement officers in several jurisdictions have required police escorts to conduct inspections safely.

In NSW, police are not currently empowered to lead enforcement. They operate only in a support capacity - consulting on strategy and assisting in joint operations when requested.<sup>12</sup> The Premier has explicitly stated that he does not wish to divert police resources from frontline duties such as domestic and family violence response.<sup>13</sup> However, this leaves a gaping hole in enforcement capability.

In contrast, other jurisdictions have strengthened their frameworks:

- South Australia transferred enforcement from the Health Department to Consumer and Business Services in the Attorney-General's Department, citing a need for "a tougher compliance approach" and closer alignment with criminal enforcement powers. The change was accompanied by increased funding and staff dedicated to licence

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<sup>11</sup> See

[https://lsj.com.au/articles/nsw-cracks-down-on-illicit-tobacco-with-new-licensing-scheme/?utm\\_source=chatgpt.com](https://lsj.com.au/articles/nsw-cracks-down-on-illicit-tobacco-with-new-licensing-scheme/?utm_source=chatgpt.com)

<sup>12</sup> See question on notice no. 3943 from Wendy Tuckerman to the Minister for Police and Counter-terrorism, accessed via:

<https://www.parliament.nsw.gov.au/hp/housepaper/30261/QuestionsAndAnswers-LA-91-20241122-Proof.pdf#page=23>

<sup>13</sup> Ben Fordham Live Sydney, 3 June 2025, 2GB Sydney.

applications, inspections, and consumer complaints.<sup>14</sup>

- In Queensland, a multi-agency taskforce led by SPER (State Penalties Enforcement Registry) and supported by police and tax authorities has had notable success. In a May 2025 operation, Queensland authorities seized \$468,000 in cash and luxury assets, along with large quantities of illicit tobacco and vapes.<sup>15</sup> NSW has no equivalent local taskforce operating at this scale.
- Both the Commonwealth Inquiry and Victorian Inquiry into illicit tobacco recommended placing enforcement under law enforcement agencies, not health departments, due to the extensive involvement of organised crime at every level of the supply chain.<sup>16</sup>

Back in NSW, the Government announced in May 2025 the formation of a multi-agency taskforce to “explore options” for stronger compliance.<sup>17</sup> This group includes NSW Health, Police, Fair Trading, Liquor & Gaming NSW, and the Department of Communities and Justice. But no concrete powers or operational capacity have yet been transferred.

Local councils, meanwhile, are powerless to intervene. If a tobacconist satisfies existing planning and zoning rules, councils cannot refuse a development application or shut them down — even if the store is widely suspected of illegal sales.

### Community Correspondence Received

Below is a sample of correspondence received by my office in relation to enforcement:

- *“We hear police are powerless to do anything because it sits under Health. But who is doing anything? How are they being regulated and monitored? I feel like this has been a “head in the sand” approach from government but this is growing so rapidly and will soon be too big to solve.”*

<sup>14</sup> See

[https://www.google.com/url?q=https://www.premier.sa.gov.au/media-releases/news-archive/major-enforcement-clampdown-on-illegal-tobacco-and-vapes-in-sa&sa=D&source=apps-viewer-frontend&ust=1752632527442996&ug=AOvVaw0tpfF7Phq\\_AQRaBbLpCsi6&hl=en-GB](https://www.google.com/url?q=https://www.premier.sa.gov.au/media-releases/news-archive/major-enforcement-clampdown-on-illegal-tobacco-and-vapes-in-sa&sa=D&source=apps-viewer-frontend&ust=1752632527442996&ug=AOvVaw0tpfF7Phq_AQRaBbLpCsi6&hl=en-GB)

<sup>15</sup> *Inside State Government*, SPER raids, May 2025.

<sup>16</sup> See

[https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/024342/toc\\_pdf/IllicitTobacco.pdf;fileType=application%2Fpdf#page=15](https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/024342/toc_pdf/IllicitTobacco.pdf;fileType=application%2Fpdf#page=15) and

<https://www.parliament.vic.gov.au/495d36/contentassets/e60aeb0c9e7642f3a4342baef12832b0/paec-60-09-inquiry-into-vaping-and-tobacco-controls.pdf#page=91>

<sup>17</sup> See

[https://www.dailytelegraph.com.au/subscribe/news/1/?sourceCode=DTWEB\\_WRE170\\_a\\_GGL&dest=https%3A%2F%2Fwww.dailytelegraph.com.au%2Fnews%2Fns%2Fmajor-taskforce-to-combat-nsws-illegal-tobacco-black-market%2Fnews-story%2F88ee3c65e8bd1bbae1c0734c9d1dec32&mementype=anonymous&mode=premium&v21=LOW-Segment-2-SCORE](https://www.dailytelegraph.com.au/subscribe/news/1/?sourceCode=DTWEB_WRE170_a_GGL&dest=https%3A%2F%2Fwww.dailytelegraph.com.au%2Fnews%2Fns%2Fmajor-taskforce-to-combat-nsws-illegal-tobacco-black-market%2Fnews-story%2F88ee3c65e8bd1bbae1c0734c9d1dec32&mementype=anonymous&mode=premium&v21=LOW-Segment-2-SCORE)

- *“The police don’t seem to have the manpower to monitor these tobacconists but the government should be taking whatever steps are necessary to stop the criminals [sic] element and the health damage to people.”*
- *“The arrogance and complete disregard for the law and for public health is galling. This isn’t just dodgy behaviour, it’s open defiance of the very protections we’re supposed to have in place to keep kids safe from this industry.”*
- *“What is the state government doing to stop these shops from proliferating?”*
- *“How is the state government ensuring policing is adequate for the crimes taking place?”*
- *“... I witnessed the confectionary shop in Avalon Pde selling vapes. 3 people walked in and openingly [sic] purchased vapes which were stored under the counter... These stores should be closed down.”*
- *“On eBikes and Tobacco shops it seems that police presence needs to be boosted at Mona Vale.”*
- *“Council rangers are an underutilised source of information, they know our shopping areas due to parking management and compliance orders & they could be an excellent added sources [sic] of knowledge.”*
- *“Rangers should be partnered with NSW Health and the police and the NSW Govt could fund Councils to hire more rangers so we can tackle this seriously”.*
- *“ATO should be called on to audit every registered tobacconist across Australia as we need to identify any red flags of commonality across states.”*
- *“Restrict locations and advertising and make landlords responsible also.”*

## 6. Health and Environmental Harms

The health risks associated with illegal tobacco and vaping products are significant and increasingly well-documented - particularly for children and adolescents. This is one of the most disturbing trends being reported in Pittwater and across New South Wales.

The Australian Institute of Family Studies (AIFS) noted that adolescent vaping rates surged from less than 1% in 2018 to nearly 12% in 2022.<sup>18</sup> Mental health effects associated with vaping are a critical concern. Studies have linked vaping in adolescents to increased risk of depression, anxiety, low self-esteem, and risky behaviours, including substance misuse and unsafe sexual activity. Young people using nicotine vapes are also more likely to become regular cigarette smokers.

Illegal disposable vapes pose additional dangers. Unlike regulated nicotine replacement therapies, these vapes often contain unknown concentrations of nicotine, synthetic cannabinoids, and toxic chemicals, bypassing any oversight from the Therapeutic Goods Administration. Many of these products are manufactured overseas with inaccurate labelling and no indication of chemical composition, increasing risks of addiction, poisoning, and adverse health reactions.<sup>19</sup>

One alarming trend is the marketing of these products to children through brightly coloured packaging, cartoon graphics, lolly-style flavours (like bubble gum or mango ice), and product placement in store displays next to actual confectionery. These tactics are not incidental - they are part of a deliberate marketing strategy to normalise nicotine use among children.

Beyond personal health, the environmental harms of illegal vapes are considerable and poorly understood. Most disposable vapes contain lithium-ion batteries, which pose both fire risks and environmental pollution hazards when not disposed of properly. Improperly discarded vapes can leach heavy metals and plastics into soil and waterways, and pose serious hazards in kerbside waste systems.

In its 2024 report, the Victorian Inquiry detailed the cost and complexity of storing and disposing of seized vapes:

*“Vapes need to be stored with 24/7 CCTV monitoring, fire-proof camera security, ventilation, frequent temperature testing and must be distanced from any surrounding buildings or property because of the fire risks posed by lithium-ion batteries and synthetic nicotine content. The storage must meet occupational health and safety*

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<sup>18</sup> Mandy Truong and Eliza Cotton, Australian Institute of Family Studies, *“The Impact of Vaping on Adolescent Mental Health”*, October 2023.

<sup>19</sup> Genevieve Wilkinson and Elizabeth Sheargold, *“The international trade law implications of regulating e-cigarettes: lessons from tobacco litigation”*, Fordham International Law Journal, Vol 48[1], 2024.

*requirements and be manned 24/7. The seized goods must be stored until disposal authorisation is granted by the courts which may take weeks to months. There is currently no established nor legislated best practice method of vape storage and disposal in Australia.”<sup>20</sup>*

In one case, Victoria Police’s seizure of 100 pallets of illegal vapes cost \$200,000 to dispose of safely. Each pallet measured approximately one cubic metre. That equates to around \$2,000 per cubic metre - a staggering financial burden for agencies trying to remove these products from circulation.

Yet the current NSW regulatory framework does not require perpetrators to bear any part of this cost. NSW should adopt a requirement that any person found guilty of selling illegal tobacco or vape products pay a fee that covers seizure, secure storage, transportation, and proper disposal. This would both act as a deterrent and reduce the financial burden on government agencies.

In summary, the health and environmental risks from illegal vapes and tobacco are profound — and fall disproportionately on young people and public services. These products are not only addictive and harmful — they are a fire hazard, an environmental pollutant, and a public health crisis in the making.

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<sup>20</sup> Public Accounts and Estimates Committee, Parliament of Victoria, *Inquiry into Vaping and Tobacco Controls*, Report No. 9 of the 60th Parliament, March 2024, accessed via: <https://www.parliament.vic.gov.au/495d36/contentassets/e60aeb0c9e7642f3a4342baef12832b0/paec-60-09-inquiry-into-vaping-and-tobacco-controls.pdf#page=70>

## 7. Federal Issues

Reform is also urgently required at the national level.

In November 2020, the Commonwealth Inquiry found that Australia lacked a nationally consistent licensing framework for tobacco products, manufacturing supplies, and equipment. This regulatory gap was identified as a key weakness exploited by organised criminal networks, and the Committee recommended that:

*"...the Australian Government explore options to develop a nationally consistent licensing regime for tobacco products, including tobacco product manufacturing supplies and equipment."<sup>21</sup>*

The Police Federation of Australia and other enforcement stakeholders gave evidence at the Inquiry that a national licensing scheme would greatly assist state and territory police in enforcement, by closing interstate loopholes and enabling streamlined compliance and intelligence-sharing.<sup>22</sup>

Stakeholders across the health, enforcement and research sectors have also called for the Commonwealth Government to strengthen regulation to reduce the supply, availability and accessibility of tobacco products. The Public Health Association of Australia, Cancer Council, and AMA have all supported national restrictions on retail licensing, flavour bans, advertising limitations and packaging reforms, noting that without Commonwealth coordination, state-based regulation remains patchy and inconsistent.<sup>23</sup>

There is also an ongoing debate about the relationship between tobacco excise increases and the rise of the illicit market.<sup>24</sup> While major health bodies remain supportive of continued excise increases as a proven harm-reduction strategy, some stakeholders - including retailer groups and criminologists - have argued that sharp price rises have contributed to a lucrative black market in illegal tobacco and vapes. Despite this, there is no current recommendation to reduce excise or

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<sup>21</sup> Parliamentary Joint Committee on Law Enforcement, *Illicit Tobacco*, Commonwealth of Australia, November 2020, p. 2, accessed via:

[https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/024522/toc\\_pdf/IllicitTobacco.pdf](https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/024522/toc_pdf/IllicitTobacco.pdf)

<sup>22</sup> *Ibid*, at pp 47-48.

<sup>23</sup> See, for example:

<https://www.ama.com.au/sites/default/files/2020-11/AMA%20submission%20-%20Senate%20Inquiry%20Tobacco%20Harm%20Reduction.pdf>; and

<https://www.phaa.net.au/common/Uploaded%20files/Submissions%202024/PHAA%20Submission%20-%20240405%20-%20Vic%20Vaping%20Tobacco%20Control.pdf>

<sup>24</sup> See, for example:

<https://www.theguardian.com/society/2025/jun/11/tobacco-excise-isnt-making-australians-smoke-less-and-should-be-frozen-to-curb-black-market-economists-say#:~:text=The%20March%20budget%20forecasts%20tobacco,the%20end%20of%20the%20decade.>

abandon taxation increases. Instead, improved enforcement, stronger national coordination and retailer licensing are seen as more effective responses.

The NSW Government, along with other state and territory jurisdictions, should continue advocating for a national regulatory and enforcement framework that includes:

- A uniform national licensing scheme for all tobacco and vape product retailers and wholesalers, with a public registry.
- Coordinated enforcement protocols involving federal and state law enforcement agencies.
- National standards for labelling, packaging, and flavour restrictions, to prevent regulatory arbitrage between jurisdictions.
- Better data-sharing and intelligence gathering between border control, customs, and local compliance teams.

Without national coordination, organised syndicates will continue to exploit legislative inconsistencies and supply-chain loopholes. This not only undermines public health objectives but places frontline enforcement officers and communities at growing risk.

## **8. Conclusion**

Pittwater wants to remain a place where kids are active and healthy, where they go out to go to the skate park and the surf club, not to buy cheap cigarettes and flavoured vapes at the shop next door. We want practical, enforceable laws that protect children, honest traders, and the integrity of our community.

**Jacqui Scruby MP**

**Independent Member for Pittwater**