

Challenging how tobacco is sold in Australia

Despite being addictive and deadly, tobacco is widely accessible in all communities

Given that two-thirds of regular smokers in Australia will die from smoking-related causes,¹ tobacco is remarkably available and easy to purchase. Tobacco is sold in every community, on every high street and in every retail precinct. Australian consumers can freely purchase cigarettes in the same places where they buy healthy household staples such as fruit and vegetables, milk and bread. With an estimated 40 000 outlets selling tobacco across Australia,² it is one of the most widely accessible consumer goods on the market — yet the most dangerous when used as intended. While Australia has delivered crippling hits to the tobacco industry's ability to promote its products, we have yet to land even a glancing blow to how and where it sells its products.

For smokers who are trying to quit, negotiating the tobacco retail landscape is incredibly difficult. While non-smokers may not notice the ready availability of cigarettes due to the products being stored out of sight, for smokers a short walk to the bus stop may mean passing a number of potential temptations to purchase cigarettes, including the corner shop, petrol station, supermarket, and newsagent. Smokers who are trying to quit must resist these incessant attempts to lure them back to buying cigarettes and resuming smoking. Purchasing groceries at the supermarket is particularly fraught, as tobacco products are sold in a prominent location at the very front of the shop. Despite the products not being openly displayed, the tobacco cupboards are still highly visible and accessible. It is estimated that supermarkets account for around 55% of tobacco sales.³ Further, even if a smoker is successful in resisting these temptations to purchase, their good intentions can be readily undone when socialising at a local pub. While pubs are not permitted to allow smoking within the premises, many have a prominent cigarette vending machine targeting smokers, who after a drink or two are more likely to relapse and make a purchase.⁴

Australia has been extremely successful in reducing smoking rates by adopting policies and programs that work to reduce the demand for cigarettes. The 2016 National Drug Strategy Household Survey showed that just 12.2% of Australians over the age of 14 years smoke on a daily basis and 98% of teenagers have never smoked more than 100 cigarettes.⁵ These rates position Australia as a world leader in reducing the prevalence of smoking. This has been achieved through adopting a mix of public health approaches such as high taxes that make cigarettes less affordable, plain packaging policies that make cigarettes less attractive and appealing, smoke-free policies that limit exposure to second-hand smoke, and emotive and graphic mass media campaigns that encourage smokers to quit.⁶ But missing from this matrix are comprehensive measures that address the retail supply of tobacco. This has led to the current situation



where tobacco is widely sold with few restrictions. There are no publicly available data about how and where tobacco is sold, and a national tobacco sales licensing system, based on delivering positive public health outcomes, would be a significant step forward in addressing this policy gap.

Australian tobacco retail landscape

Currently, there is a widely varied approach to tobacco retail licensing in Australia. South Australia, Tasmania, Western Australia, the Northern Territory and the Australian Capital Territory require tobacco retailers to hold a licence for a fee ranging from \$250 to \$700.⁷ Queensland and Victoria do not have a tobacco licensing system and New South Wales only requires tobacco retailers to notify the state government that they sell tobacco. For the states that do require a licence, provided retailers meet very basic criteria such as paying the associated fee and providing contact information, licences are granted. There are no licensing requirements regarding the density of tobacco retailers in an area, their proximity to schools, or the possible impact on the health of the community. Licensees are not required to report on how much tobacco they sell, what tobacco brands they carry, at what price these products are sold, or how the tobacco industry incentivises and supports them to sell more product. Licensees are also not required to stock smoking cessation resources and materials. Further, there is no evidence that retailers will have their licence permanently revoked for selling tobacco to minors, which is not an uncommon occurrence,⁸ or for violating other measures such as ensuring tobacco is out of sight and displaying mandated signage.⁹

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doi:10.5694/mja17.00544

See Editorial, p. 426

International experience

Elsewhere, tobacco supply laws are more progressive. In San Francisco, for example, the goal of the tobacco retail licensing system is to halve the number of retail outlets by capping the number of new licences approved.¹⁰ The policy also restricts retailers from selling tobacco near schools and limits the concentration of outlets within the same neighbourhood. In Australia, tobacco retail outlets tend to be at a higher density in areas with the highest levels of disadvantage and the highest rates of smoking.¹¹

In France, the government must approve the selling price of all tobacco brands, to ensure that these prices are not lower than the cost of producing the product plus taxes.¹² The price for each brand is thus consistent across all tobacco retailers, regardless of where a smoker makes a purchase. Contrast this to the Australian situation, where the same brands are sold at different prices across retail outlets, encouraging smokers to buy more cigarettes from cheaper outlets.⁷ Some of the discount brands¹³ are sold at a price barely above the required taxes. In Australia, very little is known about how this price is negotiated between the tobacco manufacturers, wholesalers and retailers. Tobacco manufacturers are not even required to report the most basic information about the overall sales volume and retail price of each tobacco brand on the market.

A model for change

The minimalist tobacco licensing schemes that are in place in some Australian states could easily and quickly be improved by increasing the licence fee. This extra funding could then be used to improve enforcement of existing tobacco retailing laws, such as sales to minors provisions. However, introducing a model tobacco licensing system that serves public health interests could not only reduce the number of outlets but also transform those that continue to sell cigarettes. Tobacco could move from being commonly sold to being sold in highly controlled specialist outlets, with the necessary exceptions for small or remote communities.

Currently, our knowledge of tobacco retailing is tipped firmly in favour of the tobacco industry, with the public health sector largely in the dark about how the close relationship between manufacturers, wholesalers and retailers is fostered and managed. In June 2017, British American Tobacco in Sydney was recruiting for a shopper activation executive who would be “at the forefront of our marketing activation, the role within our activation team is to excite customers to sell our brands”.¹⁴ A tobacco licensing system tied to public health outcomes could ban any form of incentive or sales program that entices retailers to sell tobacco. Equally, incentives that help tobacco retailers to move away from tobacco to healthier products could assist in building positive partnerships between public health and retailers. Supporting the

transition to “healthy retailers” could not only help remove a harmful product from the shelves but also increase the availability of healthy products such as fresh fruit and vegetables.¹⁵

Pairing these changes in tobacco retailing with additional regulations on tobacco products and packaging could help to further amplify their effectiveness. Additives and flavours such as menthol and sugar, which increase the palatability of tobacco products, could be banned. Limiting the number of brands available, banning new brands from entering the market, allowing only one pack size, and standardising the length and thickness of cigarettes are all possible ways of hampering the marketability of products at the retail point of sale. Current variations in pack size, such as a bonus cigarette in some packs, allow for price variations that encourage purchasing. Rethinking Australian tobacco control as encompassing everything about the product, from what goes into it to where it can be sold, rather than focusing solely on consumer demand, could accelerate the decline in smoking rates.

Conclusion

The global health treaty, the WHO Framework Convention on Tobacco Control (<http://www.who.int/fctc/en>), is mostly silent on supply side measures and focuses mainly on policies that Australia has already adopted. To remain a world leader in reducing smoking prevalence, Australia must truly transform how tobacco is sold to consumers.

Given its track record of opposition to any tobacco control reform, the tobacco industry and its retailer allies will argue that these proposals are unlikely to reduce tobacco use and will have untenable economic consequences. However, the public are highly supportive of tobacco control measures, especially those that protect children: retailers that continue to illegally sell tobacco to minors, and an industry that profits from these sales, are unlikely to garner public sympathy.

As a nation, we need to be prepared to face any such opposition head on, and to work towards a future where this lethal product is sold only as a standard product, in a standard package, at a standard price, in a standard place of sale.

Acknowledgements: On 31 May 2017, I attended the Tobacco Retail Summit hosted by the Cancer Council New South Wales. Australian and international speakers and participants discussed reforming the tobacco retail sector and I am indebted to their collective wisdom in helping inform this commentary.

Competing interests: No relevant disclosures.

Provenance: Commissioned; externally peer reviewed. ■

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