It is time for governments to support retailers in the transition to a smoke-free society

Phasing out tobacco retailing is gaining traction as the natural next step in controlling the tobacco pandemic

The commercial tobacco trade is a complex system involving multiple actors, from tobacco growers and manufacturers to the importers and wholesalers that distribute products to retailers, who onsell to consumers. Consumers who purchase and use products form the demand side. Governments can influence each actor through policy, but have historically focused on the demand-side measures in the World Health Organization Framework Convention on Tobacco Control (WHO FCTC; Articles 6–14). These outnumber the supply-side measures (Articles 15–17), which have primarily focused on constraining tobacco product manufacturers. Calls are growing for governments to increase attention on retail supply — the critical link in the supply chain between manufacturers and consumers.[1]

Phasing out tobacco retailing is gaining traction among tobacco control advocacy organisations as the natural next step in controlling the tobacco pandemic. Action on Smoking and Health in the United States launched an international collaboration in 2019, Project Sunset, to advocate phasing out commercial tobacco sales. An Oceania chapter was established later in the same year. In 2021, the Australian Council on Smoking and Health (ACOSH) — a coalition of peak non-government health organisations — called for parties in the Western Australian state election to commit to ending tobacco sales by 2030.[2] This request echoed earlier discussions in the Tasmanian parliament about ending tobacco sales to anyone born after the year 2000, with a parliamentary committee finding no "significant legal impediment" to the proposal.[3]

The Draft National Preventive Health Strategy lists reducing the supply, availability and accessibility of tobacco products through stronger regulation as a key policy goal.[4] Internationally, some governments have already moved to reduce tobacco supply. The Netherlands has legislated for supermarkets to stop selling cigarettes from 2024.[5] Balanga City Council in the Philippines passed an ordinance to end tobacco sales in 2016,[6] while two cities in the United States, Beverley Hills City Council and Manhattan Beach City Council, ended tobacco sales from 1 January 2021.[7] New Zealand has recently proposed new measures, including greatly reducing the number of tobacco retailers.[8] However, in most jurisdictions, including Australia, government action continues to lag behind substantial public support for phasing out tobacco retailing. For example, half of adults in Australia, New Zealand, Canada, England and Hong Kong support phasing out tobacco sales.[9]

Ending the regulatory exceptionalism that has maintained the legal status of tobacco products as a consumer good sold by general retailers has also been discussed in the academic literature. For example, an article published in 2020 outlined a comprehensive case for phasing out cigarette sales (Box).[1]

Given increasing momentum to manage tobacco supply more effectively, we outline five key reasons why governments should set target end dates for tobacco sales and support retailers to transition to a smoke-free society.

First, despite tobacco's legal status, it fails to meet consumer safety standards.[1] Consumer and drug regulatory systems would prohibit the sale of cigarettes as a new consumer product today. However, regulatory systems must regulate existing consumer products — just as they do with new products — by prioritising public safety. Australia's reclassification of codeine products from pharmacy over-the-counter to prescription only medicine in 2018[10] and the 1991 ban on sale of smokeless tobacco products[11] illustrate how these systems restrict or ban sales of existing products deemed unsafe. Setting an end date for tobacco sales would thus be consistent with normal regulatory processes.

Second, setting a date to phase out tobacco retailing would end conflict between government public health goals to reduce tobacco sales and the fiduciary obligations of commercial retailing businesses, which aim to maximise profits through product sales. Pro-tobacco industry actors use widespread tobacco retailing to oppose tobacco control policies by arguing these impede normal business operations and affect profit.[12] Furthermore, retailers who sell tobacco are vulnerable to exploitation by tobacco companies, which have created and funded retailer front groups to lobby against tobacco control policies.[12]

Third, establishing a timeframe for ending general retailing of tobacco products as consumer goods will provide certainty for retailers and facilitate planning for business model adaptation, a process governments could actively support. Research shows ethical and/or commercial and economic factors can motivate some retailers to stop selling tobacco voluntarily.[13] However, encouraging individual retailers to voluntarily delist tobacco through education campaigns or economic levers, such as licensing fees, will have limited impact and may delay more effective measures. Furthermore, some indirect approaches can have inequitable impacts. For example, encouraging a substantial number of retailers to stop selling tobacco would require a relatively high licensing fee, which may advantage large retailers with sufficient turnover to absorb these costs. Given the urgency of reducing smoking-related harms, an end date will expedite the phasing out of tobacco retailing compared with

Coral E Gartner[1]
April Wright[1]
Marita Hefler[2]
Andrew Perusco[3]
Janet Hoek[4]

1 University of Queensland, Brisbane, QLD.
2 Charles Darwin University, Darwin, NT.
3 Australian National University, Canberra, ACT.
4 University of Otago, Dunedin, New Zealand.

c.gartner@uq.edu.au

Arguments for phasing out cigarette sales*

- Phasing out cigarette sales will reduce smoking initiation and assist quitting by denormalising cigarettes, and reducing availability.
- Phasing out cigarette sales is widely supported by the public, including a substantial number of smokers. Most smokers regret starting smoking, the majority want to quit.
- Cigarettes do not meet modern consumer product safety standards. It is normal for governments to remove unsafe products such as contaminated food, asbestos, and lead paint from the market.
- The "manufacture, marketing and sale of tobacco are incompatible with the human right to health," as outlined in the 2018 Cape Town Declaration on Human Rights and a Tobacco-free World.
- The successful defence of Australia's tobacco plain packaging laws against international trade disputes demonstrates that governments have the right to introduce tobacco control measures to protect the health of its citizens, even when these measures reduce commercial profits and have an impact on international trade.
- The putative functions of cigarettes (relaxing, aiding socialising) are replaceable with other products and practices.
- Concerns about increases in illicit trade are typically based on exaggerated estimates of the scope of the problem and ignore the fact that most people who smoke do not want to continue. The scale of illicit sales is unlikely to be worse for public health than the status quo.
- Taking action that could result in the closure of tobacco product manufacturing companies if they cannot transform their business into a more ethical industry should not be an impediment to enacting laws that reduce public harm.
- Tobacco retailers and governments can transition to other revenue sources, as will be inevitable in places with decreasing smoking prevalence.

* Adapted from Smith and Malone.[1] ◆

voluntary delisting, and avoid anomalies where only some retailers continue to sell tobacco.

Fourth, the majority of people who smoke would like to quit.[14] An end date for tobacco retailing will support these people and likely increase the motivation among those currently not thinking of quitting, particularly if supported by demand reduction approaches, such as mass media campaigns and enhanced quit support services.

Fifth, an end date on tobacco retailing enables governments to plan how they will reduce their reliance on tobacco excise tax as a general revenue source.[1] Governments will face declining revenue from tobacco tax as the population who smokes shrinks. Furthermore, phasing out tobacco retailing is likely to produce a favourable benefit to cost ratio. Reducing smoking prevalence will compensate for lost tax revenue by decreasing health care expenditure on smoking-related illnesses, economic costs of lost worker productivity, and social costs of human lives lost through smoking.[15] Furthermore, consumer spending will be redirected to alternative non-tobacco purchases, generating other tax revenue.

Implementing a tobacco retail phase-out

Approaches for phasing out tobacco retailing vary between local and national governments. In the United States, local governments are leading the way,[7] whereas in New Zealand, the Smokefree Aotearoa goal provides a basis for a national phase-out.[8] In Australia, the National Cabinet approach that has coordinated public health action on the coronavirus disease 2019 (COVID-19) pandemic may provide a template for addressing the public health threat from tobacco retail availability. Timeframes on end dates also vary by government level. Local councils in the United States set a time line of only 12–18 months to implement tobacco retail bans,[7] while ACOSH called for an end to tobacco sales by 2030.[2] Previous research on public support for phasing out tobacco sales has focused on a 10-year time frame.[16] Further research with policymakers, retailers and consumers on an

achievable time frame for a national tobacco retailing phase-out in Australia is needed, particularly with population groups with higher than average smoking prevalence. Studies should identify specific support needs and whether alternative legal supply options, such as channels that have a health rather than a profit mandate, should be provided,[17,18] and, if so, in what form. The Australian Government should also implement stronger controls to reduce potential growth in the illicit market, such as advocated by the WHO Protocol to Eliminate Illicit Trade in Tobacco Products.[19]

A government-mandated tobacco retailing phase-out in Australia could begin with large general retailers, such as supermarkets, which have greater financial adaptability, following the Netherlands.[5] Setting an end date for tobacco sales and assisting retailers to adapt to changing policy could be accompanied by "exit packages", similar to those offered to tobacco growers when the government ended tobacco growing in Australia.[20] This approach is consistent with Article 17 of the WHO FCTC. A proportion of tobacco excise tax could be used to assist retailers to adapt to a tobacco-free product range. More generous assistance could be offered to retailers who exit early, and targeted strategies could be developed for retailers who rely more heavily on tobacco sales. Supporting retailers to adjust will be crucial to avoid consolidating alliances between retailers and tobacco companies.

Conclusions

Demand reduction measures have dominated the tobacco control policy; although important, we suggest that the time to focus on supply reduction and to plan an end date for tobacco retailing is long overdue. Neither industry self-regulation nor other voluntary approaches will substantially or expeditiously reduce tobacco retailing in support of the government's goal of reducing smoking to below 5% by 2030.

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