

15<sup>th</sup> April 2017

To the Red Tape Committee,

I am writing this submission to you as a result of foreseeable changes in the vaping industry (ENDS) in South Australia which are likely to come about due to a Bill currently before the South Australian Government to have our industry fall under the same legislation as that of Tobacco.

First and foremost I am stating that neither myself, my customers, and the 500,000 other vapers (users of ENDS units) Australia wide do not consider or acknowledge ENDS as being a tobacco product. I would in fact like to refer you to a study completed by the Royal College of Physicians (link at the footer of this correspondence) that confirms and states that ENDS units are 95% less harmful than smoking cigarettes and that they are a means to an end of tobacco use. This study was used as a basis in formally acknowledging ENDS as being a healthier alternative by the UK, Europe, and also New Zealand.

Should the recommendations that are presently in the Bill before Parliament be passed, there will be some serious financial impact on all vendors currently in South Australia, including myself and my wife. Some of the effects that I personally currently have to consider are:

1. Complete refit and refurbish of two shops – An estimate at this stage is around \$75,000 to ensure that the shop size is decreased, storage for all items not allowed on display, darkening of windows, and a reduction in signage for advertising
2. Interstate relocation of my warehouse to enable our business to continue to sell online – Initially I would expect this to cost myself and my wife \$150,000, in addition to ongoing travel costs to and from.

3. Time – at this point, I am not in a position to give an estimate, however I will need to factor in appropriate self training, and then training of my staff to ensure that they will be able to serve customers effectively, whilst complying with the legislation. Another factor in the time component is either myself or my wife (both of us work in the business) will be regularly absent due to interstate travel.

Online sales – as mentioned in point number 2, we would have no option but to relocate our warehousing interstate due to online sales not being compliant with the current Tobacco Legislation. As our online sales are currently 60% of our business, we have 2 staff members specifically employed for this area. Those jobs will need to be made redundant, and I don't look forward to explaining this to one of our team members who was previously very long term unemployed.

I will also add that there are currently 31 ENDS vendors in South Australia. All 31 one of us will be subjected to the same cost consideration to meet compliance, and I seriously doubt that all 31 small business's will be in a financial position to meet the compliance unnecessarily forced upon us, thus meaning more business closures in South Australia.

ENDS units have done and will continue to be a successful tool for smokers to quit tobacco. In addition to this, with the cost to the health system as a result of tobacco related illness other financial impacts need to be considered:

1. The loss of revenue from sales tax – there is no doubt that a lot of business's will close if we are painstakingly classed as "speciality tobacco shops"
2. The loss of jobs – as mentioned previously, will result in higher unemployment
3. Land Tax – Commercial vacancy rates in South Australia are high, and with small business's facing the real possibility of closure, landlords will possibly struggle meeting their land tax obligations

In closing, I would like to state that I am continually disappointed in State and Federal Governments inability to look at the whole picture when making decisions that affect millions of people and also economies. I strongly believe it is time for ENDS to be considered on a Federal level, rather than State by State legislation, and for ENDS to be recognised for the product that it is – a true cigarette quitting aid that is proven as a 95% better alternative.

Please feel free to contact me if you would like to discuss this further. I would also like it noted that I would be more than willing to make myself available to be a witness on the 16<sup>th</sup> May 2017.

Thank you for taking the time to read my submission

Kind regards

Vape4life

Royal College of Physicians

Link: <https://www.rcplondon.ac.uk/projects/outputs/nicotine-without-smoke-tobacco-harm-reduction-0>