



17th April 2017

Red Tape Committee
Department of the Senate
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To whom it may concern:

On behalf of our own dedicated vape business and also the vaping industry at large, I am writing to address the effect of red tape on tobacco retail and how this directly relates to our own business and its ability to function and grow moving forward.

We are a small business servicing an online shop as well as a retail space, specializing in the sale of vapourisers and their accessories. The focus of our submission is to present how the proposed legislation/compliance rules will severely negatively impact our ability to operate and grow, to address the importance of our product on the wider community and to discuss the implications of the proposed compliance rules on our customers and their general well being and freedom of choice.

I will preface the submission by pointing out that we have not been granted access to the compliance documents at this stage and that this will not be made available until May 1st, however one of our industry advocates and vendors has provided us with the main points of the document after having previewed it at a meeting with the Tobacco Control department, for this reason I am unable to fully address all the compliance criteria.

The main points for compliance to be certified as a 'Specialist Tobacconist' i.e. trade as a Vape shop, are as follows:

- Display of vape devices, hardware, e-liquids and vape specific accessories will be restricted to a 4m x 4m display ONLY
- Price list and flavor information will be restricted to a 1.5m x 1.5m signage board with limitations on font size, style and colour.

- Should the business relocate/be forced to move (due to ending lease, closure of building etc.), 4m x 4m display space will no longer be allowed, (display granted to vendors who were proven to be trading prior to September 1st 2016 as part of a grandfathering clause), effectively confining a vape shop to one address without exception.
- If a vape shop is not grandfathered, NO DISPLAY OF VAPE PRODUCTS is allowed.
- Limit on how a retailer can discuss and advise customers on products and their suitability
- No tastings or testing of products inside the store

As with any retail business, display of all the relevant products and options available, plays a vital role in our ability to trade successfully and provide a comprehensive and quality customer experience. The proposed legislation will not only severely restrict our ability to display product, but in doing so will heavily reduce our sales, our customers experience and impose expensive renovations in order to completely amend our fit out and storage.

Furthermore, inhibiting a stores opportunities to move premises which in turn loses their precious 4m x 4m display space, forces us to remain stagnant – unable to grow and leaves any vape vendor at the mercy of their landlord. How many other industries are required to remain at their venue to trade or face compliance rules, which would cripple their whole business and livelihood?

To illustrate these points further, we have estimated the costs associated with implementing new store fit out to comply, reconfiguring our store so that it is not just an empty space with blacked out cupboards would require approximately \$8000 to \$10,000 to replace our existing display cabinets with compliance ready covered drawers or solid door cabinets. While this figure may seem minimal, for us as a small owner run business, this equates to approximately 6-8 months revenue.

After consistent discussion with our many and varying customers over the past month, we have queried whether the purchases they made with us, would have been made had they not been able to see the products, not been able to sample the e-liquids or been restricted in their ability to test, hold and try devices. The overwhelming response was NO. Out of the 150 customers whom we surveyed 92 people admitted that the interactive service was a deciding factor in moving forward with and completing their purchase. This is a compelling example of just how detrimental these compliance rules will be on our businesses ability to trade successfully and make profits to survive, it is our living that is on the line with no justification as to why it is being compromised.

Consumers of the vaping industry are from a broad and varied background, representing a range of socio economic statuses. We have noticed an increase of customers from lower socio economic backgrounds who expressed a great sense of hopelessness in their ability to cease tobacco smoking until discovering vaping and finding their quit attempts, finally successful for the first time, since becoming a vaper. It is a restrictive set of rules designed to suffocate the many thriving small businesses of the vaping industry that is stripping an individuals right to choice. Their right to be proactive in their attempts to embark on what has been proven, globally – by esteemed medical institutions and an option that is legal and encouraged in every other progressive country, to be considerably less harmful than traditional tobacco smoking. The stark, scientific reality is, is that vaping is not smoking. It does not involve tobacco, often is used without nicotine, does not require combustible methods for inhalation and various reputable studies infer that passive vaping is virtually impossible and traces of passive inhalation negligible.

Providing a respected, safe and expert retail space for customers to visit in the hopes of receiving knowledgeable and considered advice ensures quality devices are being sold, maintains consistency across vendors and the industry and allows for choice among the adults who are seeking one to one guidance beyond their computer screens. Such restrictive compliance rules will force new and curious consumers to purchase from less reputable sellers online and overseas, where advice on safety and suitable devices will be overlooked to non-existent and undoubtedly reduce our revenue, potentially crippling our business. Additionally, it strips adult consumers of their freedom to buy in store when they can view more products on a website than they can in a physical retail space – this is counterproductive for small businesses and for the consumer seeking in-depth consultation.

Lastly, I did want to share one of many stories that illustrate the importance of instore testing and open discussion – elements of our service that will be heavily restricted with the coming compliance rules. A woman, in her early 50's came in to seek help with her device; she had been having troubles turning it on and off. I took the device from her and showed her how to turn it on and off with ease, during the process I had a few vapes on the device to ensure it was working correctly, when I did I noticed how harsh the e-liquid was. I asked her what she had in there and she advised she had just filled it with eliquid from the tobacconist, I informed her that it was illegal for Australian retailers to sell or supply nicotine containing e-juices and that the quality in tobacconist eliquid was very poor and generally unpleasant. The main point I am trying to convey here is the importance of being able to use devices in store and also to allow for broad (not limited) discussion surrounding vaping. This is a prime example of how a simple device can be under utilized or incorrectly used without adequate, professional assistance and the importance of being able to demonstrate, in store, the products and discuss them also – (it is also a demonstration on the consequences of banning

nicotine sales and supply in Australia, forcing people to seek poor quality and sub par products – but that is a whole separate submission).

In terms of how we view a solution to this particular section of the proposed legislation/compliance rules, we would like to see a fair and unlimited ability to display our products without restriction. Allowing for our vape shop to display products, without limitation, engage in conversation surrounding the suitability of a product without rules on wording to be used, offering testing, tasting and samples in store and importantly, allowing for businesses to grow and move should the need arise thus ensuring the longevity and success of vape businesses such as ours. Understanding our industry, learning the benefits and embracing these many passionate vape businesses, allowing them/us to trade under fair and reasonable circumstances is what the Victorian government should be pushing for, fostering an environment under which small business can grow, contribute to the economy, provide jobs for people and encourage others to undertake their own small business journey.

In conclusion, I appeal to the red tape committee to push for reasonable and fair compliance rules and to help alleviate the suffocating regulation destined to destroy an industry primarily made up of very passionate small business owners. We, as a collective, are open, willing and in agreeance with many of the proposals such as restricting sale to minors, however display restrictions, limits on type face and ability to relocate or branch out are a guaranteed slow demise for the many small vape businesses and eradicate freedom of choice to a harm reduction option for the general public at large.