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Committee Secretary
Red Tape Committee
Department of the Senate
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Subject: Red Tape Committee – Effect of red tape on tobacco retail

We make the present submission to the Red Tape on the effect of Red tape on tobacco retail.

The focus of this submission is to highlight relevant points to show how Red Tape impact tobacco retail, the future of our business and customers, and the implications to public health, wellbeing and future of smokers who might be missing out the opportunity to quit cigarettes by switching to a 95% safer product "e-cigarettes.

Due to the potential e-cigarettes pose to help smokers quit tobacco, e-cigarettes should be in a different category much similar to the one ruling and controlling other NRTs -Nicotine Replacement Therapies- or even having its own legislation aligned with "harm minimisation" principles, but not the same as tobacco products.

Two products proven to be totally different should not be policed by the same legislation.

Although there are two things in common to vaping and smoking (the visual factor and nicotine inhalation), E-cigarettes are completely different from tobacco smokes, therefore applying the same laws to totally different products is something which lacks coherence and

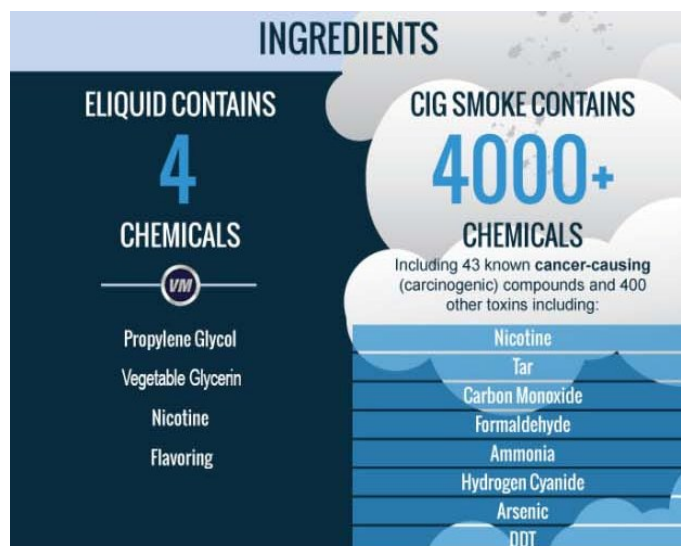
deprive smoker's population from freely using an alternative to minimise the harm caused by tobacco.

Tobacco smoking is addictive and lethal with half of all lifelong smokers dying early, losing an average of about three months of life expectancy for every year smoked after the age of 35 (some 10 years of life in total) (ROYAL COLLEGE OF PHYSICIANS, 2016).

On the other hand, there have not been any E-cigarettes related dead since their invention, in fact, the Tobacco Advisory Group of the Royal College of physicians in UK are encouraging smokers to try Vaping to help them quit smoking.

Retail sales and supply of tobacco products affects the health of massive population of smokers, while nicotine e-cigarettes are proven to be 95% safer and successfully help people quit tobacco, its sale and supply with or without nicotine should also be allowed across Australia.

The harm of tobacco smoking comes from the inhalation of smoke containing a cocktail of poisonous chemicals, while E-cigarettes are battery-operated devices that heat a liquid (containing safer ingredients) to produce a vapour that users inhale and absorb into their system, without causing harm to bystanders.



Although the ratio of ingredients for e-liquid varies, it typically contains a propylene glycol, glycerol sometimes flavouring agents, and may or may not contain nicotine.

Cigarette smoke contains a huge number and range of organic compounds. Estimates in the past few years state

that there are almost 7360 different compounds present, and it is likely that this number could still increase. From this massive number of compounds, 70 have confirmed carcinogenic activity in humans, and much more are suspected carcinogens. (Compound Chem, 2014).

Proven to be 95% safer than smoking, and over 35% more successful than other Nicotine replacement therapies, Nicotine e-cigarette should be recognised as tobacco cessation products (hypnotherapy, champix) or others which also contain similar dosage of nicotine (patches, sprays, etc)

The nicotine found in tobacco does not cause the negative health effects associated with smoking. It is the other chemicals found in tobacco smoke that is harmful (RCP 2016).

Over the counter cessation products are found to have similar dosage of nicotine which known to be safe for human, including nicotine patches, lozenges, inhaler, etc. Most e-cigarettes have similar nicotine strength and higher successful rate compared to these cessation products.

It has been found that switching from tobacco to e-cigarettes is therefore likely to be almost as effective in preventing harm as switching to NRT (RCP 2016).

Being much safer than smoking and more effective than cessation products, smokers (over 18 years old) should have the freedom to choose the alternative, aid, product which can minimise the harm



caused by burned tobacco.

FIGURE 2 SMOKING VS VAPING

By definition the line can be crossed to set the difference between smoking, cigarettes and vaping e-cigarettes. It is totally unreasonable

seen how vaping gets stigmatise as bad as smoking and its users treated as criminals for trying to save their lives.

The oxford dictionary provides a clear definition for the word smoke, which does not describe the action of vaping.

Smoking: "The action or habit of inhaling and exhaling the smoke of tobacco or a drug"

Smoker: "A visible suspension of carbon or other particles in air, typically one emitted from a burning substance."

... e-liquids are not burnt, they are heated at a safer temperature.

...what you inhale and exhale is not smoke, is water vapour.

... The vapour exhale does not contain any carbon or harmful particles, so no second hand effect is involved.

Furthermore, some Health advocates have clearly defined where the new concept of vaping fits, which could help many conclude how different they are from smoking.

According to National Health and Medical Research Council of Australia (NHMRC) e-cigarettes do not burn tobacco and do not create smoke.

Health department of New Zealand classify smokers and vapers in a different category because E-cigarettes are not a combustible tobacco product and therefore should not be coded as such, and also:

- If a smoker has switched completely from cigarettes to e-cigarettes, they should be coded as an ex-smoker.
- If a smoker is still smoking cigarettes, even as little as one cigarette per day, they should be coded as a current smoker (Health Department , 2016)

Once the government decide to understand the difference between both products, help the vaping industry to reach more desperate smokers trying to give up, and seriously consider real solutions instead of supporting revenue source (big tobacco) companies, from that day the massive burden of smoking related death will reduce and public health in general will be benefited.

Tobacco smoking prevalence, as well as, mortality and morbidity in Australia can substantially be reduced over the next few decades, if the government takes a less regulatory approach similar to that of UK, USA and New Zealand.

E-cigarettes are used almost exclusively by smokers and ex-smokers and are now the most popular stop smoking aid in England (CANCER RESEARCH, 2016).








Nowadays the UK has shown a big development in researching deeply about the benefits of e-cigarettes due to this is one of the most popular stop smoking aid to quit, they have legalised them to help smokers in the process of quit in a safety and healthy way without undermining public health.

Like UK, it will be more effective if the Australian government could **take a more ethical approach, applying a Harm-Reduction model**, rather than the current blind regulatory approach. Proper action need to be taken as quick as possible, so let smokers take safer alternatives to prevent them from smoking.

Like USA, e-cigarette regulation, controls and restrictions in Australia should **be focussed more to quality controls, traceability of the products and higher standards** of laboratories where production of e-liquids takes place.

Like New Zealand, **let the community** (smokers, vapers, aboriginal community, vendors, local e-liquid manufacturers, researchers, health advocates, etc.) **participate to make the decision to where and how e-cigarettes should be rule.**

THE EVIDENCE SO FAR SHOWS THAT E-CIGARETTES ARE FAR SAFER THAN SMOKING

-  E-cigarettes contain nicotine but **not cancer causing tobacco**
-  Nicotine is addictive, but does **not cause cancer**
-  Tobacco is the biggest cause of preventable death in the UK
 Over **100,000 deaths** per year  = 10,000
-  Passively breathing vapour from e-cigarettes is **unlikely to be harmful**
-  Growing evidence shows e-cigarettes are helping people to **stop smoking**

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Not only the current restrictions on e-cigarettes have had negative effect on Public Health, but with the new changes to the Tobacco bill the prospect of e-cigarette vendor in Victoria (including ours) and other states will struggle financially to do business, help smokers make the switch from smoking to vaping, and to maintain the hope of over 500.000 ex-smokers who currently vape Australia wide.

The total costs (for fitting, staffing, training costs), the new store set up, the change to our selling strategy and approach which we have been pushed to adopt to be complaint with the changes scheduled to take place 1 August 2017, will be putting so much pressure to our financial future and that of other shops around Victoria, making it hard to stay in business within Australia.

- Total costs estimated to be over \$100,000.
- Loss of current vapers and potential customers: up to 80%
- Loss of profitability: up to 80%
- Return on +2 million dollars invested to grow the business over the last 5 years: Uncertain
- Risk of losing "*grandfathering*" if we are obligated to move shop locations.
- Future business expansion and business growth: Limited
- Personal financial situation, and future of our children will be affected too.

Moving operations to other countries where e-cigarettes are less regulated or being reviewed to be fairly coded under their laws, might be the only hope to maintain our source of income. But what about the return we were expecting for the more than 2 million investment we have put into our business?

But, **HANG ON!** If that is the purpose of Andrews / Turnbull Government, then their objective will be accomplished and our investment, business, mission and vision will be over.

About Soulblu

Soulblu is an Australian owned business, operated from Victoria since 2011.

Serving the vaping industry for over 5 years has given us the opportunity to understand how important is to allow **free trade** of e-cigarettes in Australia.

Like many of our customers, over 2 year we tried to find an aid, treatment or alternative to stop smoking due to health and financial reasons. It took us 2 years of trying different costly unsuccessful options, while still buying cigarettes during each relapse period, we spent a fortune!. We tried champix, patches, inhaler and hypnotherapy before we found nicotine e-cigarettes online, and it was so effective than within a week we experienced the health benefits from giving up the toxins and chemicals from cigarettes, sadly 7-eleven and Philip Morris lost one of their best customers.

We were so impressed with the results, and the potential e-cigarettes had to help other Smokers to give up the awful addiction, so no longer after we decided to risk our family savings to subsidise our vaping businesses. These are some of our business achievements:

- 2011: Starting from home through word of mouth and Online.
- 2012: Soulblu Preston store opened to the public.
 - o Soulblu New Zealand started operations Online.
 - o Soulblu e-liquids get manufactured locally.
- 2013 We invested a significant sum of money into the Eliquids Australia which produces Soulblu e-liquids to date in a proper laboratory.
 - o Eliquids Australia processes and procedures meet high Quality standards and get certified with ISO 9001:20018 for its Quality Management System.
- 2013 - 2014: We met compliance with Australian and New Zealand electrical safety standards.
 - o Eliquids Australia continue its operation contracting Pharmaceutical chemist, Chemical and Industrial Engineers to bring the laboratory to meet FDA and EU standards for manufacturing e-liquid.
- 2014 -2016: Soulblu, Eliquids Australia in partnership with other laboratory have invested significant resources to bring the e-liquid laboratory to achieve higher standards of quality aligned with:
 - o NATA accreditation
 - o GLP and GMP accreditation.
 - o United States Pharmacopeia.
- 2017: We continue to work and invest our professional expertise, time and financial resources to achieve our long term goals for high quality standards, Australian and international compliances and to supply an ethical product to our customers locally and overseas.

TO BE HIGHLIGHTED

The Royal College of Physicians UK recently released a report urging smokers who cannot quit any other way to switch to these products, being at least 95% safer than smoking. (McNeill A, 2015).

If so many researches have been done overseas proving e-cigarettes to be safer, then Australian government should be focusing on the following:

1. Don't allow e-cigarettes to be under the same regulation as Tobacco cigarettes.
2. Set quality controls, higher standards and give incentives to Australian e-cigarettes vendors and Australian e-liquid manufacturers. It's easier to know what is contained in the e-

liquids if they are made in Australia and control within. The current importation laws lacks traceability, effectiveness compared to imposing realistic quality controls and regular testing to Australian manufacturers.

3. Stop sending the wrong message about e-cigarettes to smokers by categorising like a tobacco product. IT IS NOT! Encourage and allow smokers to freely use e-cigarettes. Don't wait until is too late to save millions of lives.
4. Promote and sponsor independent health advocates, Universities and Researching units to deeply research about e-cigarettes, undertake testing and collect relevant information from current smokers and e-cigarette users.
5. Get closer to the vaping (ex-smokers) community, their families, even their GPs to understand how each person has experienced switching from smoking to vaping, what benefits they gained, the difficulties they face and reasons why they start using e-cigarettes.

Please stop focussing on how the budget will get affected if Tobacco Tax Payers stop buying cigarettes, WHEN THEY ALL SWITCH TO VAPING. People, their health, their families and their future is more important, so focus on the solution, most of them are desperate to quit, HELP THEM: LET THEM VAPE!

We would like to discuss this further, also assist and participate during the hearing on the 16th May 2017. Please feel free to contact us.