



A.B.N. 52 127 488 340

July 22, 2011

<p><u>Submission No. 44</u> (Plain Packaging Bill) A.O.C. Date: 26/07/2011</p>

**House of Representatives
Standing Committee on Health and Ageing
By e-mail: haa.reps@aph.gov.au**

Dear Sir/Madam,

I am writing to you on behalf of Richland Express Pty Ltd, of which I am the founder and Managing Director. Richland Express Pty Ltd has been in operation since 2007, and account for approximately 1% of the Total Industry (estimated to be 18.5 billion sticks annually). We import cigarettes from Europe (Germany and Luxembourg) and the entire product that we supply to the Australian market complies with Australian legislation, and we also comply to European standards (including producing cigarettes with a tar ceiling of 10mg or less).

On Thursday July 7th 2011, the House Standing Committee on Health and Ageing asked for interested persons and organizations to make a submission, and in light of the potential impact of the proposed legislation, we would like to have our issues tabled to the Selection Committee, to give consideration to our concerns detailed below.

Richland Express Pty Ltd has previously stated our position on the implementation of Plain Packaging. In summary, as a small and relatively new entrant in the market, the proposed legislation is set to have a disproportionate effect on our business. We accept however, without prejudice, that the Australian Government is committed to introducing this legislation.

That said, it is critically important to the future of our business (selling a legal product in a controversial industry) that the concerns that we have are taken into consideration and we respectfully ask that steps be taken to address them.



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Implementation Period

Implementation Period – The Australian Government has called for the introduction of legislation to be effective 1st January 2012 and from the 20th of May 2012 it will be an offence to import or manufacture non compliant Tobacco product. From 1st July 2012 it will be an offence to sell or buy non compliant Tobacco product.

Richland Express Pty Ltd can theoretically comply with manufacturing product in Plain Packaging from 1st January 2012 (subject to the Government providing clear detail on the requirements) should this legislation pass.

The expectation that retailers can only sell compliant packaging only, after 1st July 2012, is an aspect that we ask you to review.

Based on our experience with returns from the Reduced Fire Risk Legislation, we believe that retailers will need 12 months to sell through non compliant Tobacco product.

We respectfully ask that the Government change the proposed legislation to allow retailers 12 months to sell through non compliant Tobacco product.

We believe that as legislation will only allow for compliant product to be manufactured or imported, any move to remove non compliant Tobacco product will add cost to the implementation for Richland Express Pty Ltd.

Cigarette Packs and Cartons

1. The proposed legislation dictates that a Carton must be rigid and made of cardboard.

Richland Express Pty Ltd (as with most manufacturers) uses a plastic poly overwrap for cartons and as such, we ask that consideration be given to allowing clear overwrap for cartons.

2. The legislation dictates that the only opening to the pack must be a flip top lid which must be hinged only at the back of the pack and have straight edges.

Richland Express Pty Ltd produces a range of cigarettes in Soft Pack; this product does not have any embellishments and this type of pack has been in place since last century. We respectfully ask the committee to consider allowing this type of packaging to be allowed.



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In summary, Richland Express Pty Ltd is extremely concerned over the impact of the proposed Implementation Period and we are asking for 12 months for Non Compliant Tobacco product to be sold in the retail trade to minimize the returns and the subsequent cost of terms of money and resource.

We also ask the committee to review the definition of Carton and Packet to allow for the production of Soft Pack and for Cartons sold in Poly Overwrap instead of Cardboard.

We would welcome the opportunity to address the Committee in person and remain at your disposal if you require clarification on any of the issues we have raised.

We look forward to your consideration of our submission and we hope that our business concerns are taken into account.

Regards,

Paul Daly
Director – Richland Express Pty Ltd