Prevention QB25-000008

ISSUE: TOBACCO SMOKING AND VAPING

QUESTION: What is the Government doing to protect young people and other at-risk groups from tobacco smoking and e-cigarettes?

	2023-24 (Estimate) (\$m)	2024-25 (Estimate) (\$m)	2025-26 (Estimate) (\$m)	2026-27 (Estimate) (\$m)	2027-28 (Estimate) (\$m)	Total 2023-24 to 2027-28 (\$m) ⁱ
Vaping and smoking cessation activities	\$7.0	\$7.8	\$7.5	\$7.3	-	\$29.5 ^{ii,iii}
Tobacco control reforms	\$2.7	\$3.9	\$3.5	\$3.2	-	\$13.3 ^{iv}
Public health campaigns on vaping and tobacco control	\$18.6	\$14.8	\$17.1	\$13.0	-	\$63.4 ^v
Enhanced regulatory model for vaping products	\$20.6	\$36.4	-	-	-	\$56.9 ^{vi}
Tackling Indigenous Smoking incl. extension to vaping	\$10.0	\$10.3	\$59.5	\$61.4	-	\$141.2 ^{vii}
Vaping Regulation Reform Package	-	\$18.4	\$70.3	\$61.7		\$150.4 ^{viii,ix}

Note: Table reflects investments from 2023-24 Budget up to and including the 2024-25 MYEFO measures (not actuals). Totals reflect Department of Health and Aged Care impact only.

Topline response:

- The Australian Government is taking strong action to reduce smoking and vaping rates through stronger legislation, enforcement, education and support.
- \$194.9 million in additional funding over four years from the 2024-25 MYEFO Budget will support Health, the Australian Border Force (ABF) and the Office of the Director of Public Prosecutions to deliver the Government's vaping reforms.
 - Additional funding will boost compliance and enforcement efforts to disrupt and deter the black market and ensure the TGA is appropriately placed to regulate therapeutic vapes
 - It will also ensure continued investment in vaping education, prevention and program monitoring and evaluation of vaping and tobacco reforms.
- From 1 October 2024, Commonwealth reforms allow some therapeutic vapes to be available from participating pharmacies without a prescription to adults, if certain conditions are met, and subject to state and territory requirements.
 - From 1 March 2025, strengthened product standards will apply to vaping goods progressively across the first half of 2025.
 - New requirements include lower nicotine concentrations, smaller volumes for vaping substance containers, only permitted ingredients in vaping substances and plain packaging and pharmaceutical labelling.

- The Pharmaceutical Society of Australia has worked with the Government to develop updated guidelines, education and training for pharmacists.
- The Royal Australian College of General Practitioners also published updated Guidance for GPs on smoking and vaping cessation, including on the use of therapeutic vapes.
- Enforcement of the reforms is a priority. The Commonwealth, and all states and territories are committed to a national approach to enforcement.
- Since 1 January 2024:
 - the Australian Border Force (ABF) and Therapeutic Goods
 Administration (TGA) have jointly seized more than 7.3 million illegal
 vaping products, estimated to be worth over \$221 million
 - The TGA has participated in 25 joint operations with state and territory partners to disrupt vape supply with further planned
 - more than 8,400 advertising posts and 40 profiles have been removed and many websites (alleged to be) unlawfully advertising have been blocked.
- Significant penalties apply to contravention of the laws, with substantial penalties for corporations and potential for jail time for individuals to deter illicit activity.
- On 13 December, the Government introduced the requirement for health messages to be printed on individual cigarettes. The Government first announced its intention to implement this measure in November 2022, to help encourage people to quit smoking and reduce uptake.
 - Full implementation of on-product health messages is required by 1 July 2025, to align with other tobacco control measures.

Facts & Figures

E-cigarette compliance and enforcement data (as at 10 January 2025)

Since 1 July 2024				
Advertising				
Requests to social media platforms for post takedowns	8,624			
Number of posts taken down	8,434			
Requests to social media platforms for profile takedowns	43			
Number of profiles taken down	40			
Warnings issued	382			
Since 1 January 2024				
Advertising				
Infringement notices issued	22 (\$232,872 total)			
Websites blocked	149			

Import and supply				
Vaping goods seized by the ABF	6,394,206			
Vaping goods seized by or surrendered to the TGA	989,265			
Total	7,383,471			
Estimated street value of goods seized by ABF and TGA	\$221.5 million			
Infringement notices issued	50 (\$969,870 total)			
TGA joint operations with states and territories	25			
Civil or criminal court proceedings under way	0			
Therapeutic vaping good notifications, licences and permits				
Number of notified therapeutic vaping products (valid)	2,114			
Import permits granted	1,856			
Import licences granted	78			
Patient access – special access scheme (SAS C)				
Schedule 3 pharmacist notifications of supply from October 2024 (required for each instance of supply)	17,442			
Schedule 4 health practitioner notifications from 1 January 2024 to 30 September 2024 (required for each course of treatment)	2,670			

Since the implementation of the vaping reforms:

- Generation Vape research from November 2024^x shows that adolescents aged 14 - 17 years are vaping less, less likely to smoke and have increased awareness of the harms of vaping. The research illustrates that:
 - adolescents who report never vaping has increased to 85.7% from 82.8%
 in July 2024
 - o adolescents who have never smoked is at its highest level at 93.9%
 - 26.8% of adolescents who have vaped reported buying their own vape, which is a decrease from 36.0% in July 2024.

Background

Additional measures to reduce smoking and vaping rates

- As part of the 2024-25 MYEFO Budget, the Government announced \$194.9 million over four years from 2024-25 for the Vaping Regulation Reform Package ^{xi}.
- Of this, \$150.4 is allocated to the Department of Health and Aged Care to implement and deliver vaping regulation reform legislation, education, prevention and program monitoring, including:
 - \$92.6 million to the TGA to extend their regulatory, compliance and enforcement activities on all vaping products.
 - \$19.5 million to establish a consumer collection and disposal scheme and Business surrender scheme for vaping products.

- \$6.8 million to provide additional funding to states and territories for storage and disposal of unlawful vaping products seized through joint enforcement activities with the TGA.
- \$11.3 million to extend and adapt the National Youth Vaping Education campaign to target the 14 – 24-year-olds cohort.
- \$8.7 million to establish a national vaping prevention education program for Year 7 and 8 school students available to more than 3,000 schools across Australia, through the University of Sydney's OurFutures Institute.^{xii}
- \$10.9 million to extend data collection activities and support the development of monitoring and evaluation programs for the tobacco and vaping reforms, including a mid-point review of the National Tobacco Strategy 2023-2030.

Vaping reforms

- From 1 October 2024, therapeutic vapes with a nicotine concentration of 20mg/mL or less were down-scheduled from Schedule 4 (prescription medicine) to Schedule 3 (pharmacist-only medicine) if certain conditions are met.
- The *Therapeutic Goods and Other Legislation Amendment (Vaping Reforms) Act* 2024 which commenced on 1 July 2024 prohibits the importation, domestic manufacture, supply, commercial possession and advertisement of disposable single use and non-therapeutic vapes. It does not ban all vapes.
- In 2025, strengthened product standards will be implemented.
 - From 1 March 2025, only products that meet the updated standards can be imported or manufactured in Australia.
 - From 1 July 2025, only products that meet the updated standards can be lawfully supplied in Australia.

Compliance and enforcement

- The commencement of the vaping laws on 1 July 2024 makes it easier to identify and disrupt the illicit supply of vapes and to take effective enforcement action.
- The Therapeutic Goods Administration (TGA), Australian Border Force (ABF), Australian Federal Police (AFP), and state and territory health departments and police forces are working closely together on a national collaborative approach to compliance activities and enforcement.
- The states and territories, alongside the TGA, have undertaken hundreds of retail inspections.
- The TGA is continuing to work with ABF and state and territory health authorities and police forces on operations to tackle unlawful retail supply, with upcoming operations in a number of jurisdictions.
- Hundreds of thousands of vaping goods are being surrendered to the TGA under a time limited scheme to remove non-compliant vapes from the community.
 - Those products are being collected and held in secure storage while disposal arrangements are made.

Accessing vapes from 1 October 2024

• Subject to state and territory requirements:

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- access to therapeutic vapes with a nicotine concentration of 20mg/mL or less without a prescription, patients must be 18 years of age, and participating pharmacists must satisfy several requirements, including sighting ID and conducting a consultation with the patient to ensure that a therapeutic vape is the appropriate treatment option.
- otherwise, access to therapeutic vapes requires a prescription, including access by people less than 18 years old to any vape, and access by anyone to a vape with a nicotine concentration higher than 20mg/mL.
- Pharmacies are not obligated to stock or supply therapeutic vaping goods, regardless of whether a patient holds a prescription.
- Individual pharmacies determine the costs of therapeutic vaping goods and any associated private fee.
 - Patients should be informed of costs upfront and provide informed financial consent.

Jurisdiction vaping legislation changes post 1 July 2024

- Since 1 July 2024, three jurisdictions (Tasmania, South Australia, and Western Australia) have publicly announced their intention to introduce additional legislative changes to the regulation of tobacco and/or vaping products.
- Tasmania and Western Australia have elected to retain a prescription-only model.
- Amendments to South Australia's Tobacco and E-Cigarettes Products (E-Cigarette and Other Reforms) Amendment Act in November 2024 make it an offence to supply e-cigarette products to a person under 18-years of age^{xiii} regardless of whether they have a prescription.

Prescribing and supply of e-cigarettes to under 18s

- All states and territories allow for **prescription** of therapeutic vaping goods to people under 18-years of age, noting some jurisdictions have particular limitations in place.
- Currently, the Australian Capital Territory, South Australia, Victoria, and Tasmania **do not allow for supply** of therapeutic vaping goods to people under 18-years of age.

Public health campaigns

- The Youth Vaping Education Campaign and National Tobacco and E-Cigarette Campaign aim to reduce smoking and vaping rates, particularly among priority and at-risk groups including young Australians.
- The 'Give Up For Good' public health campaigns commenced on 9 June 2024 and advertising ended in mid-December 2024, with public relations activities and community engagement still in progress.
- The campaigns include four separate and complementary approaches targeting:
 - Young people who vape (14-24 year olds)
 - o Adults who vape
 - o Adults who smoke
 - First Nations adults who smoke.

- Education resources, public relations and community engagement activities extended the reach of campaign advertising amongst general population, First Nations and multicultural audiences.
- The first phase of the Youth Vaping Education campaign ran from 5 February 2024 until June 2024, targeting young people aged 14 to 20 years using media partnerships and influencer-led content strategy to combat misinformation.
 - The influencer content was viewed over 8 million times, across 34 posts, generating more than 650,500 likes and almost 1500 comments across social media platforms.

Latest e-cigarette estimates

- In 2024, among 18-24 year olds, the age group most likely to use e-cigarettes:xiv
 - More than 8 in 10 (86%) supported or were unconcerned by the removal of vaping products from general retail outlets, an increase from 80% in 2022.
 - A majority (58%) reported an intention to quit vaping within 6 months, an increase from 42% in 2022.
- Between 2019 and 2022-23, current use of e-cigarettes^{xv}:
 - nearly tripled among people aged 14 and over (from 2.5% to 7.0%)
 - quadrupled among people aged 18–24 (from 5.3% to 21%)
 - increased more than five-fold among people aged 14–17 (from 1.8% to 9.7%).^{xvi}

Monitoring and evaluation of the vaping reforms

- The Government has committed \$10.9 million from 2025-26 over 2 years to support monitoring and evaluation of the tobacco and vaping reforms. This includes:
 - expanding data collection activities
 - o developing and implementing monitoring and evaluation programs
 - the mid-point review of the National Tobacco Strategy 2023-2030.
- The Government is working closely with states and territories to monitor the impacts of the vaping reforms over the short, medium and long term.
- Additionally, the *Therapeutic Goods and Other Legislation Amendment (Vaping Reforms) Act 2024* requires the Minister to undertake an independent review of the reforms and associated instruments within three years.
- The Government is using a range of national and jurisdictional data sources to monitor the impacts, including:
 - Vaping and tobacco prevalence and trends across the population and in key target groups, such as young people.
 - Knowledge, attitudes and/or behaviours among key target groups, such as young people, teachers, parents and the health workforce.
 - o Industry marketing activities and behaviours; and
 - Results from compliance, enforcement and testing.

Tobacco control reforms

- The *Public Health (Tobacco and Other Products) Act 2023* (the Tobacco Act) commenced on 1 April 2024.
- The legislation streamlines and modernises existing laws and introduces new measures to discourage smoking and tobacco use and prevent the promotion of e-cigarettes.
 - Full compliance will be required from 1 July 2025.
 - There is a transition period until 31 March 2025 for manufacturers, importers and distributors and a further 3-month transition period for retailers until 30 June 2025.
 - This transition period allows sufficient time to become compliant with the new legislative requirements and sell existing stock.
- Guidance material to understand the requirements under the Act were published on the department's website on 6 November 2024.
- On 28 November 2024, the Health Legislation Amendment (Improved Medicare Integrity and Other Measures) Bill 2024 was introduced.
 - This legislation amends the Tobacco Act to clarify the intended operation of the provisions and are necessary in the implementation phase of the legislation.

Illicit tobacco in Australia

- The main driver that reduces illicit tobacco is the same one that reduces licit tobacco declining consumption.
- The Government is concerned about illicit trade in tobacco products (products on which taxes have been avoided) because it impacts directly on the effectiveness of public health policies to reduce smoking prevalence and tobacco consumption.
- The Government ensures strong enforcement against the production and importation of illicit tobacco through the Australian Taxation Office (ATO), the ABF and the Illicit Tobacco Taskforce (ITTF).
- On 31 October the ATO published the 'Tobacco Tax Gap Analysis' which estimates the expected excise duty collected from all tobacco consumed within Australia, compared with the actual excise duty that was collected.
 - The Net Gap for 2022-23 was estimated to be 1,656 tonnes or \$2.71B (14.3%); this is an increase of 13% from 2021-22 estimate of 1,455 tonnes or \$2.34B.

Prevention QB25-000008

Illicit Tobacco and E-cigarette Commissioner

- On 1 July 2024, the Minister for Home Affairs appointed Assistant Commissioner Erin Dale as the interim ITEC.
- Under the Public Health (Tobacco and Other Products) Act 2023, the ITEC responsibilities are to support the development and implementation of strategies for the enforcement of illicit tobacco and e-cigarettes, advise on the development of new laws relating to the illicit trade, and publish relevant reports on the illicit tobacco and e-cigarette trade in Australia.

Tobacco excise

- From 1 September 2023, tax on tobacco products was increased by 5% per year for 3 years in addition to normal indexation.
 - The Government has also aligned the tax treatment of loose-leaf tobacco products (such as roll-your-own tobacco) with the manufactured stick excise rate to ensure these products are taxed equally.
- Increasing tobacco costs through increases to excise duty for tobacco products is widely recognised as one of the most effective and efficient ways that 292

- are:
 \$2,101.89 per kilogram
 National Tobacco Strategy 2023-2030
 The Strategy, endorsed by all Health Mathematical Includes clear objectives to one of the strategy of the strategy of the strategy to one of the strategy The Strategy, endorsed by all Health Ministers and released on 2 May 2023,
 - prevent uptake of e-cigarettes by young people and those who have never smoked:
 - prevent and reduce nicotine addiction; and 0
 - de-normalise and limit the marketing and use of e-cigarettes.
- The Strategy commits Australian governments to the following smoking targets:
 - reduce daily smoking prevalence for adults aged 18 years and over to 0 below 10% by 2025 and 5% or less by 2030; and
 - reduce daily smoking prevalence among First Nations people aged 15 0 years and over to 27% or less by 2030.

Latest tobacco estimates

- Recent studies have shown an ongoing decline in smoking rates:
 - Both the National Health Survey (NHS) 2022 and the NDSHS 2022-23 show that young people are smoking less now than ever before.
 - One in ten (10.6%) adults aged 18 and over in the general population were daily smokers in 2022, down from 13.8% in 2017-18.

- Separate estimates from the AIHW National Drug Strategy Household Survey (NDSHS) show that between 2019 and 2022-23, the rate of persons aged 14 and over smoking daily decreased from 11.0% to 8.3%.^{xvii}
 - However, the ASSAD survey showed that there were concerning increases in susceptibility to smoking among Australian secondary school students who have never smoked between 2017 and 2022-23.
- Latest estimates show that in 2022–23 among First Nations people:xviii
 - 28.8% aged 15+ reported daily smoking (down from 37.4% in 2018-19).

International developments

- Several other countries have followed Australia's lead on vaping reforms:
 - On 1 January 2025, Belgium became the first EU country to ban the sale of disposable vapes to stop young people from becoming addicted to nicotine and to protect the environment.^{xix xviii}
 - On 24 October 2024, the United Kingdom introduced legislation to ban the sale of disposable vapes from 1 June 2025. This was followed by the introduction of Tobacco and Vapes Bill in November 2024, which includes banning vape advertising, sponsorship and flavour restrictions.^{xx}
 - In September 2024, Ireland announced legislation to ban the import and sale of disposable vapes and restrict flavours, packaging and advertising.^{xxi}
 - On 20 March 2024, New Zealand announced plans to ban disposable vapes and implement stronger vaping enforcement measures, anticipated in 2025^{xxii}.
- Australia also joins other countries to introduce new health warnings to discourage smoking and tobacco use.

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 Canadian requirements for health warnings to be printed on cigarettes, little cigars with tipping paper and tubes commenced from 31 July 2024.

MEDIA COVERAGE

Publication: <u>'Hit the hip pocket': Queensland government looking to crack down</u> on illegal vape sellers | SBS News

Date: 5 January 2025

Key issues raised: The Queensland State Government is looking into more extreme measures to interrupt supply chains by imposing greater fines on retailers selling illegal vapes.

Publication: 'Too hard': pharmacies not keen on selling vapes – Newcastle Herald

Date: 26 December 2024

Key issues raised: Pharmacists choosing not to sell vapes because it is too hard. Expressed there is too much red tape and wary of health risks of selling unapproved vapes, consequently most pharmacies in the Hunter Region (NSW) not stocking vapes.

Publication: Big tobacco and Chemist Warehouse batting to gain market share in Australia's pharmacy vape market – ABC News

Date: 11 December 2024

Key issues raised: Pharmacies have been slow to take up the sale of vapes, despite new laws restricting other sellers. Pharmacists are anxious to stock brands backed by big tobacco. Calls to tax vapes like UK and Canada, making vapes less affordable and accessible.

Publication: Illegal retailers shirk Australia's world-first anti-vaping laws as black market surges - ABC News

Date: 22 November 2024

Key issues raised: Despite new vaping legislation, tobacconists and other retailers selling illegal vapes is fairly common. Suggestions that police and state health departments have limited resources to enforce the vaping reforms.

Publication: Smoking ban introduced to protect children and most vulnerable - GOV.UK

Date: 5 November 2024

Key issues raised: On 5 November 2024 the government of the United Kingdom introduced legislation to create a smoke-free generation, banning the sale of tobacco products across the UK to anyone aged 15 or younger. The legislation complements a ban on disposable vapes planned to commence 1 June 2025.

Date last updated by Dept:	23 January 2024	Cleared by Adviser/date:	s47F 28 January 2025
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FOI 25-0255 LD - Document 1

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Prevention QB25-000008

ⁱⁱ Source: Vaping Regulation Reform and Smoking Cessation Package, Budget 2023-24, Budget Paper No. 2, page 154

^{III} Includes \$14.5m administered and departmental costs allocated to Program 1.5 and \$15 million allocated for National Partnership Payments to states and territories to support quit services. Discrepancies in total are due to rounding

- * Source: The announced funding from Vaping Regulation Reform and Smoking Cessation Package, Budget 2023-24, Budget Paper No. 2,
- page 154. Financial year allocations from MYEFO 2023-24. Discrepancies in total are due to rounding

^x Cancer Council NSW, Generation Vape. Freeman B, Egger S, Brooks A and Dessaix A, *Assessing the impacts of Australia's vape laws on adolescents: early indicators of success* available here, January 2025: <u>https://www.cancercouncil.com.au/wp-</u>

content/uploads/2025/01/Assessing-the-impacts-of-Australias-vape-laws-on-adolescents-early-indicators-of-success-short-report-JAN-2025.pdf. This analysis defines 'never vapers' and 'never smokers' to include those who have only ever had a few puffs of a vape or cigarette.

xi Budget 2024-25 Mid-Year Economic and Fiscal Outlook, pp271-272

^{xii} The \$8.7m was provisioned for the OurFutures measure in the 2024-25 Budget.

xiii See TOBACCO AND E-CIGARETTE PRODUCTS ACT 1997 - SECT 38A

x^{iv} Cancer Council NSW. Generation Vape: support for vaping policy reforms among young adult Australians aged 18-24 years. Available at: https://www.cancercouncil.com.au/cancer-prevention/smoking/generation-vape/.

x Current use includes people using e-cigarettes daily, weekly, at least monthly, or less than monthly. (AIHW)

xvi AIHW National Drug Strategy Household Survey 2022-2023, Australian Institute of Health and Welfare, available at:

https://www.aihw.gov.au/reports/illicit-use-of-drugs/national-drug-strategy-household-survey/contents/about

^{xvii} AIHW National Drug Strategy Household Survey 2022-2023. Please note, the ABS NHS and the AIHW NDSHS use different survey methodologies to gather information about the Australian population and are conducted at different times. They vary in sample sizes, cohort participants, age groups, geographical locations, and collection time periods, and therefore the results are not directly comparable, but both surveys show a consistent decrease in smoking prevalence over the last two decades.

x^{viii} National Aboriginal and Torres Strait Islander Health Survey, 2022-23 financial year, Australian Bureau of Statistics (abs.gov). x^{ix} Belgium will ban sales of disposable e-cigarettes in a first for the EU available at <u>https://apnews.com/article/eu-belgium-vapes-</u>

cigarettes-health-environment-7726f7852994e9d4911ea9ce94b25e7a

** The King's Speech Background Briefing Note, Prime Minister's Office, 17 July 2024, pages 81-82; available at <u>FINAL - 17/07/24 King's</u> Speech 2024 background briefing final GOV.uk.docx (publishing service gov.uk)

x^{vi} See: <u>gov.ie</u> -<u>Department of Health Minister for Health secures.Government approval to introduce greater restrictions on vapes</u>, 10 September 2024.

September 2024. ^{xxii} Available at: <u>https://www.health.govt.nz/information-celeases/cabinet-and-briefing-material-smokefree-2025-progressing-coalitionagreement-commitments-and and www.health.govt.nz/system/files/2024-05/smokefree 2025 - cracking down on youth vaping cab-24-min-0084 black box watermarked.pdf</u>

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ⁱ All totals include administered, departmental costs and Federation Funding Agreements.

V 2023-24 Budget paper No2 - https://budget.gov.au/content/bp2/download/bp2_2023-24.pdf - p154

vi Source: Enhanced Regulatory Model for Vaping Products, MYEFO 2023-24, page 259

vii Source: Vaping Regulation Reform and Smoking Cessation Package, Budget 2023-24, Budget Paper No. 2, page 154

viii Source: Vaping Regulation Reform Package, MYEFO 2024-25, pp271-272

^{ix} This total does not include the \$8.7m provisioned in the 2024-25 Budget for the OurFutures measure.