



HEALTH AND AMBULANCE SERVICES COMMITTEE

Members present:

Ms L Linard MP (Chair)
Ms RM Bates MP
Mr SL Dickson MP
Mr AD Harper MP
Mr JP Kelly MP
Dr CAC Rowan MP

Staff present:

Ms A Honeyman (Research Director)
Ms K Dalladay (Principal Research Officer)
Ms E Booth (Principal Research Officer)

PUBLIC BRIEFING—INQUIRY IN TOBACCO LICENSING ARRANGEMENTS IN QUEENSLAND

TRANSCRIPT OF PROCEEDINGS

WEDNESDAY, 2 DECEMBER 2015
Brisbane

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Committee met at 9.15 am

PULSFORD, Ms Kaye, Executive Director, Preventive Health Branch, Prevention Division, Department of Health

WEST, Mr Mark, Director, Preventive Health Branch, Prevention Division, Department of Health

YOUNG, Dr Jeannette, Chief Health Officer and Deputy Director-General, Prevention Division, Department of Health.

CHAIR: We will now proceed to our briefing on tobacco licensing arrangements. On 28 October 2015 the Queensland parliament referred an inquiry into tobacco licensing arrangements in Queensland to the committee for consideration. The terms of reference require the committee to inquire into licensing arrangements that affect the sale and use of tobacco in Queensland. The committee must consider what arrangements currently apply in Queensland with respect to licensing the wholesale and retail supply of tobacco products, what licensing arrangements apply in other states and territories and the capacity for licensing arrangements for tobacco wholesalers and retailers to support broader public health objectives. The committee will detail its findings in a report to parliament by 29 April 2016. Once again I welcome our witnesses from the Department of Health's Prevention Division. Thank you again for your attendance today and for the department's written briefing on the inquiry's terms of reference. I now invite you to make an opening statement before we open up for questions. Thank you.

Dr Young: Thank you very much, Madam Chair, and thank you, members of the committee. Again it is delightful to have the opportunity to provide the committee with information about our tobacco control approach. I have already provided details about the significant impact tobacco smoking still has on the Queensland community so I will not revisit that. What I do wish to highlight is the role tobacco retailing restrictions have played in reducing smoking rates in Queensland. These strategies have been particularly effective in reducing uptake of smoking by young people and it is by preventing young people from ever smoking that significant progress will be made. In Queensland teenage smoking rates have more than halved between 2001 and 2013 and are now below 10 per cent. We do need to do all we can to protect and extend these gains as that is where we will achieve a smoke-free future. By 2020, if we were to further reduce daily smoking in Queensland by another 20 per cent, it would mean in five years we would have 115,000 fewer adult smokers each day. To achieve this ambitious target we need to be open to new ways and ideas, but importantly we need to stay focused on delivering the proven and multistrategy approach we have today.

That approach includes reducing exposure to second-hand smoke, supporting smokers to quit smoking—we have a range of initiatives underway, including a pilot program with additional quit smoking support for pregnant women and their partners at five public hospitals across the state—and preventing youth uptake of smoking. For that we have tobacco retailing and supply laws, drug education in schools and quitting among parents and adults which provides positive role modelling for their children.

Strong tobacco retailing laws that reduce supply and demand are an essential part of a comprehensive tobacco control approach. This brings me to the first of the points under the committee's terms of reference. Queensland's tobacco legislation is strong and there are well-established restrictions on the sale and supply of smoking products. These are based on evidence and best practice. Our tobacco retailing laws include a complete ban on the display, promotion and advertising of tobacco in retail outlets, restrictions on the sale of tobacco to children under 18 years of age, limits on points of sale of tobacco in a retail outlet, restrictions on location of vending machines and measures to capture electronic cigarettes as smoking products. Collectively these laws ensure that tobacco products, including e-cigarettes, are not visible in retail outlets or liquor licensed venues or casinos where tobacco is sold. These measures respond to the research evidence that shows that visible displays of tobacco or associated advertising and promotion influences smoking initiation in

young people. Product display also encourages unplanned tobacco purchases and can trigger someone who has recently quit to relapse. Retail restrictions in Queensland are supported by compliance measures, including education advice for retailers and staff about their legal obligations, a legal requirement for retailers to train their staff about asking young people for identification and not selling tobacco to children, monitoring enforcement activity undertaken by Queensland Health environmental health officers, this includes planned compliance audits and responding to alleged breaches, formal warnings and penalties for breaches of the retail provisions. These are significant for retailers and range from a maximum of about \$16,000 for a first offence up to nearly \$50,000 for subsequent offences.

In relation to withdrawing the right to sell tobacco products, under section 13 of the Tobacco Act a court, when sentencing for a breach involving tobacco sales to children, can make an order prohibiting the retailer from selling tobacco products. A court order to withdraw the right to sell tobacco products works as a similar deterrent as licence suspension or removal. Statewide compliance audits completed earlier this year showed very high compliance with restrictions on the display and promotion of tobacco products and sales of tobacco to minors. The results are consistent with previous surveys.

The tobacco retailing measures I have described have been progressively introduced and strengthened. As a part of the broader tobacco control approach, they have contributed to significant reductions in smoking. In the decade 2004 to 2014 when the majority of retailing restrictions were introduced, the smoking rate in Queensland reduced by 26 per cent. As I mentioned earlier, these restrictions have also been very effective in contributing to a reduction in youth smoking.

I would like to now make a few comments about the second point in the terms of reference, the role of tobacco licensing in Australia. Victoria does not have a tobacco licensing scheme. New South Wales operates a legislative retailer notification scheme that requires tobacco retailers to provide their details to the New South Wales government. This scheme has been reviewed and found to be sufficient to help maintain retailer compliance with the legislative restrictions in that state. Tasmania, Northern Territory and South Australia have tobacco licensing schemes for retailers. Western Australia and the ACT have tobacco licensing schemes for retailers and wholesalers. Jurisdictions with licensing schemes use them to support compliance with retail restrictions, in particular to monitor compliance of retailers with legislative restrictions applied to the sale of tobacco and other smoking products; maintain a list of tobacco suppliers, both retail and wholesale for the purpose of information dispersal and compliance activities; undertake suitability checks of retailers to supply tobacco; suspend or remove the supply of tobacco where retail restrictions are breached, specifically the sale of tobacco to minors. Tobacco licensing schemes collect a fee from retailers which is used to directly offset the cost of administering the scheme. Costs typically associated include staff for administration, inspections of retail outlets and information systems. While Queensland does not have a tobacco licensing scheme, the tobacco retailing measures we have in place are effective.

I note the parliament is interested in the capacity for tobacco licensing arrangements to support broader public health objectives. In this regard there are suggestions from some health groups that tobacco licensing schemes should be expanded beyond their current role. Specifically, it is suggested that tobacco licensing schemes could be used to strategically reduce availability of tobacco products. Advocates of this approach propose a tobacco supplier could be further restricted by limiting the number of licences available, specifying the type of retailer that can sell tobacco—for example, not issuing tobacco retail licences to supermarket chains, restricting the number of licences in areas known to have higher rates of smoking, prohibiting retailing of tobacco near schools or licensed venues and placing additional restrictions on the sale of tobacco, such as the hours when it may be sold.

New ideas such as these could be considered. However, a 2014 New South Wales task force on tobacco retailing found no evidence of licensing being used in Australia to restrict the number, type and distribution of tobacco retail outlets. It also found no evidence internationally to show whether this outlet reduction approach works to reduce smoking rates. However, there are examples in other industries, for example, the liquor industry, where there are restrictions on the hours liquor can be sold and a limit on the number of detached bottle shops which can attach to the main licensed premises. Finally, there was no evidence that any Australian tobacco retailer has ever had their tobacco licence suspended or revoked. It is worth noting, however, that Australia has been a leader in tobacco control, testing novel policy innovations like plain packaging. Potentially this outlet reduction approach is an opportunity for Queensland to lead. I trust that the committee will hear a lot more about the benefits and strengths of tobacco licensing schemes by way of submissions from

health groups, business sectors and the community and I am very much looking forward to the outcomes of this inquiry. Thank you.

CHAIR: Thank you. Dr Young, I noticed in the paper that the department provided, and thank you for that, when you look at South Australia, Tasmania, ACT, Northern Territory, WA, their licensing schemes commenced in 1998, 2000, 2003, 2007. Can you make any comments or advise the committee about the evolution of thinking about a licensing scheme in Queensland? Has it been discussed when they were being introduced elsewhere and maybe we decided not to for a reason.

Dr Young: Yes, it has been discussed. Because of the other systems that we have put in place we actually do know all of the outlets that sell cigarettes so we do not need to have a licensing scheme to know where it is being sold, and because of the processes in place that people have to educate their staff so that they do not sell to minors, all of that work is already happening that you would potentially put a licensing program in place for. I actually did ask the question whether you could make the cost for a licence significant enough so that people might choose to remove themselves from selling cigarettes and we cannot do that under the standard protocols that we have in terms of what costs we can put on licences. We can only recoup the cost it would need to manage the scheme. So, yes, work has been done over the years looking at whether this would be a useful strategy and each time it was not thought that there would be much benefit from going down that pathway.

CHAIR: In relation to the current position in Queensland, it mentions here that there are strict controls imposed under the current Tobacco and Other Smoking Products Act in regard to displaying promotion of tobacco products. Essentially is that where you see the blacked out drawers? Has that worked?

Dr Young: I believe so because people do not see it there so it does not trigger that impulse to buy cigarettes. It is putting it out of view. It was a subtle way of continuing to advertise cigarettes, in my view. So you could not advertise them, you could not display them on billboards or bus stops or anything like that but you could still display them where you sold them and people would display them at the front of shops. If you think about where you buy cigarettes, when you tend to go into Woolworths or Coles they are right at the front when you walk in and you would see that great big display of cigarettes there. So, yes, I am sure that that has contributed to our decreasing rates of smoking.

Ms BATES: My question is around small business. Small business may regard the sale of tobacco as unviable if a licensing scheme was introduced in Queensland. You have already said that no-one is flouting the current process that we have. Is this just a revenue raising expense of small business? I am all for not displaying cigarettes and plain paper packaging, but I know small businesses like newsagents will tell you that most of their revenue comes from the sale of cigarettes or Tattsлото. What sort of impost would this be? You have mentioned here the potential revenue of \$2.4 million a year. Some of these small businesses are certainly struggling already. Could you just speak to that for me, please.

Dr Young: Under normal protocols in terms of setting licensing fees we cannot charge a higher fee than the cost of managing the process. There would be a cost, there has to be a cost, because of the requirement to then manage the whole licensing scheme, but it would not be a prohibitive one.

Ms BATES: It is really just another bit of red tape for the small business to have to go through.

Dr Young: Yes.

Mr KELLY: Do you have available the rates of smoking in the states with and without licensing schemes? You can take that on notice.

Dr Young: We can provide the smoking rates for each of the different states. I do not think they are significantly different, but we can provide that and then you can decide if they are significantly different or not.

Mr KELLY: Tobacco sales via the internet, is that something that is occurring?

Mr West: Yes, it is occurring and it is difficult.

Dr Young: Yes, it does occur.

Ms Pulsford: A licensing scheme would affect the place where the business was registered. So if the business was a registered business in Queensland then the law could apply, but if it was a registered business in Victoria where they have no licensing scheme then it would not apply.

Ms BATES: Does that include internet sales where companies are based overseas?

Ms Pulsford: Yes.

Mr DICKSON: Thank you for the information that you have given us. There are a few pieces of information in this document that I do not get. I think Australia should have unilateral laws and regulations relating to the wholesale production and sale of what is an addictive product. That is the first point I would like to make. Where does tobacco come from? Do we grow it in Australia or do we import it?

Dr Young: Now we import all leaf to make cigarettes.

Mr DICKSON: We are importing an addictive product to Australia to sell to 14 per cent of the country's population of adults. So we import it—

Dr Young: The tobacco companies import it rather than—

Mr DICKSON: We allow them to import it—

Dr Young: Yes, we allow them to.

Mr DICKSON:—as a government, so we are complicit with the growers in another country to import it to wholesalers who sell it as a point of sale product, and we are not charging them a fee in Queensland to do that.

Dr Young: We do not have a licensing scheme for wholesalers or retailers. Of course tobacco companies pay large amounts of excise and taxes—

Mr DICKSON: And I know this information because I read it all last night, and it was very late after parliament and I should have tagged the page, but I just cannot find it now. What is the actual income stream for all of the tobacco brought into Australia? How much money are these wonderful people making?

Dr Young: We will have to take that on notice, I apologise.

Mr DICKSON: That is okay, I have the follow-up question to the one I just asked you. The cause of death for over 19,000 Australians a year creates an enormous burden on the public health system at a cost to the community of \$12.7 billion, yet we are not charging them anything to put this lovely impost on our health system and on people's lives.

Dr Young: At the state government level we do not have a licensing program for retailers or wholesalers, but of course nationally the Commonwealth does charge significant taxes. The majority of the price of a cigarette is actually taxes, and that gets charges ultimately of course to the person who is paying for the cigarette and smoking it, but that gets put on the company initially.

Mr DICKSON: To explore that just a bit further, the cost of the \$12.7 billion to the health systems across Australia, how much is our cost in Queensland?

Dr Young: We have 20 per cent of the population of the country, so usually we quote that we have 20 per cent of the costs.

Mr DICKSON: So that would be \$2.5 billion, something like that roughly speaking.

Dr Young: Yes.

Mr DICKSON: How much do we get from the federal government to combat that health issue?

Dr Young: The federal government contributes variable amounts to our health dollar here in Queensland, so it depends.

Mr DICKSON: Do you want to take that on notice?

Dr Young: No. I apologise, I am taking too long to get to the answer.

Mr DICKSON: No, forgive me, I am a bit excited.

Dr Young: Around 38 per cent of what we spend in our health system in Queensland comes from the Commonwealth Government. It varies depending on the relevant Medicare agreement in place. At the moment the Commonwealth Government is paying 45 per cent of any increase in activity, but we get variable amounts from the Commonwealth Government. But it is usually in the high 30s to 40s—

Mr DICKSON: So somewhere between 38 and 45 per cent, we get that money back from the federal government for that rough \$2.2 billion?

Dr Young: No, that is for our total. So the money that comes from the Commonwealth comes for a whole range of purposes. The state government provides through our hospitals and health services; around 38 per cent or so of that comes from the Commonwealth through the health care agreement.

Mr DICKSON: With the greatest respect, I am trying to drill down. I think you know where I am coming from. You will cotton on pretty quickly. \$2.2 billion is our overall problem because of people smoking in Queensland. We derive how much money from the federal government to combat smoking?

Dr Young: You could say 38 per cent of that plus or minus a bit would be paid by the Commonwealth. The Commonwealth does not go down into specifics and say, 'Here is money to pay for the costs of smoking.' 'Here is money to pay for the costs of obesity.' 'Here is money to pay for the costs of not immunising,' et cetera. We get a lump sum to pay for the health needs of Queenslanders in our public hospital system.

Mr DICKSON: I will turn that question around. Are we fairly compensated for the amount of risk that the Queensland government suffers for the health system via the taxation regime of the federal government?

Dr Young: That is probably for someone other than me to determine. I do not get involved in the debates about funding with the Commonwealth.

Mr DICKSON: Thank you very much.

Mr HARPER: That is a good point, member for Buderim. Let us hope that the Commonwealth do not reduce funding into the current arrangements with Queensland Health as is forecast down the road, because I think you would agree that funding is absolutely necessary to continue targeting reducing the overall cost and burden to the Queensland taxpayer.

You mentioned the pilot program of five hospitals. I would love to hear a little bit more about that. I guess that would be looking at your fifth report in relation to inequality on some targeted groups. Would these people be some of those targeted groups? Can you just elaborate on that a little bit for us?

Dr Young: Can I take that on notice and give you a proper explanation of the program and where it is to date, if that would be okay?

Mr HARPER: Absolutely. Thank you very much.

Dr ROWAN: Firstly can I, as an addiction medicine specialist and fellow of the Royal Australasian College of Physicians' Chapter of Addiction Medicine, congratulate you as the Chief Health Officer for Queensland and your colleagues from the preventative health branch on the reduction in smoking rates in Queensland. Particularly to hear that teenage rates have halved between 2001 and 2013 is a testimony to those who work not only in our health department, but the clinicians in our public hospital system and health system across Queensland. That is a great outcome.

My first question is in relation to the anticipated resourcing or costs of a wholesaler and retailer licensing scheme in Queensland; is there any idea or back-of-the-envelope type figure?

Dr Young: If we estimate that there are 8,000 tobacco retailers in Queensland and we were to impose an annual licence fee similar to other jurisdictions of \$300 that would generate \$2.4 million annually. Out of that we would develop and maintain an IT database for it. We need some dedicated staff to administer the scheme, to issue the licences and so forth. Then we would also have to give information to applicants and licensees about what they need to do to maintain that licence, and then we would have to do compliance checks to ensure that all people retailing tobacco were meeting their requirements.

Dr ROWAN: But it would be a net profitable scheme?

Dr Young: No. We are not allowed to do that in Queensland, according to the standard protocols for implementing licensing arrangements for anything. We cannot actually derive a profit. So we would work through what amount of money would come in and then put on the staff to facilitate and manage it according to that.

Dr ROWAN: Just to clarify, in your view in relation to wholesalers and retailers in Queensland, should there be an overall reduction in the total number of cigarette wholesalers and retailers? Is it unclear as to whether that would then achieve the benefit of reducing smoking rates?

Dr Young: I think it would be good to see fewer places that sell cigarettes, but whether this would reduce them by people deciding that they did not want to go through that red tape, pay that additional money, I do not know. We would wait and see. But we cannot increase the fee to the point that would force people to exit from that industry.

My colleagues reminds me, of course, that we have fewer places now choosing to sell cigarettes because people are not buying them, so it is not worth their while. So in fact as we reduce the numbers of people smoking, we will probably see a reduction in the number of outlets anyway.

Dr ROWAN: My final question is should there be brief intervention health material offered at point of sale for cigarettes and that within state-based legislation retailers are compelled to offer such material to customers at the point of sale?

Dr Young: It is a very interesting thought. I myself think that the packages are probably the most useful way, because unless you go and transfer the cigarettes into a different container or put a cover over them, you have then got that information in front of you all the time. I think to go and ask people to hand out brochures or to do brief interventions is possibly not as useful as what we are doing in our hospitals. In our hospitals we are asking every single health professional to speak to their patients about not smoking, and we have done the research, as of course you would be aware, that when a health professional says to someone, 'You should not smoke,' that carries a lot more weight than someone who is selling cigarettes. So I do not think it would increase the benefit of the information that is already on the plain package, but there is of course the Quitline number on the packaging, so that is another way. So I think in some ways we may be giving the information because it is already on the packaging per se.

CHAIR: Dr Young, I note that the 2000 report from the Allen Consulting Group to the Commonwealth Government with regard to the licensing of tobacco retailers and wholesalers is supportive of the validity of introducing licensing schemes. Do you know if there has been anything further since that time? It is a very good report; I just wondered if you have any further comments.

Dr Young: There was that one I described from New South Wales that was done last year.

CHAIR: But nothing at a Commonwealth level that you are aware of. Just for my information, under the current act what training or information is currently provided to employees working with the sale of tobacco under the act? So when they have to work that front guest assistance desk at Woolworths, what is Woolworths to train them in?

Dr Young: Woolworths is required to give the training to their staff and make sure their staff are well aware of all of the laws that apply, particularly the sale to minors. That is the most important.

CHAIR: Do the act or regulations clearly stipulate what that training is, or is it just, 'Do not sell to somebody under 18'?

Mr West: We have had sales to minors legislation in Queensland since 1998, and Queensland was the first jurisdiction to actually stipulate in our tobacco act what we call prevention measures for this space. So unlike any other jurisdiction, we actually clarify that it is the accountability of the supplier or the retailer to ensure that their employees are given written and verbal instruction, that they sign the training form and that that training form is kept on the premises. We have printed those training forms since 1998 and we also have those available via our industry help line and online as well, and most big companies transfer the requirements of the Queensland Health forms into their normal standard practice, which we also support. So if you are a new employee of a big business, you get your full induction, and it is a very important part of your overall training about your responsibilities in your role. Which is also what we are interested in.

CHAIR: Those states or territories have a licensing scheme collecting revenue, revenue goes towards managing that licensing scheme but also providing information, et cetera, support for people. Is it your impression that should a licensing scheme be introduced in Queensland, that that would change or any additional support or improved support would be provided in that regard? Or do you feel it is actually quite fulsome now?

Dr Young: I think it is quite fulsome now. I think it has built up over time, and we have done essentially over the last number of years what you would do if you were going to bring in a licensing scheme. So I am not sure that a licensing scheme would add a lot of value to what we are currently doing other than potentially nudging some people out of the industry. But I am not sure whether filling in the paperwork, the red tape and paying the suggested \$300 fee would be enough to nudge people out who were not going to leave anyway because of the reduced sales that are occurring. I do not know.

CHAIR: Just one last point of clarification. Before when I asked about the cover-up of advertising, is it just anecdotal or is there actually any evidence the department holds about how that might have reduced the sale of tobacco that would be of benefit to the committee that you could provide?

Mr West: The World Health Organisation recognises that product display is definitely a form of advertising. As Dr Young outlined, at the point of purchase there used to be big power walls of all the packs and everything else, near the lollies and all those sort of convenient quick purchases at the end of the sale. So it is absolutely recognised gold standard internationally that covering up product displays in retail outlets is very important as one element of what you need to do. So we have smoke-free environments; we have the Commonwealth Government with taxation and advertising bans on television and elsewhere; we have the Queensland government covering off on displays in stores and sales to minors and smoke-free areas; and collectively is what we evaluate. The bottom line is really that evaluation of: is all of that effective? We know that when smoking reduces, and smoking has reduced. In particular the product advertising is quite influential with young people, and definitely the youth smoking rate has decreased more than the adult smoking rate. It is supported nationally and internationally that your evaluation should look at all of the elements, and you can probably appreciate that it can be difficult to isolate that one reason. If you ask somebody, 'What was that one reason that helped you quit?' 'What was that one reason you did not start to smoke?' you probably cannot do that or it would not be sensible. But we are looking at the broader social change and how combined and together they make an effect, which is reducing smoking.

CHAIR: I am grateful for them because I do not have to see the pictures which are terrifying as well, so we will just keep the nice big sheets up.

Mr DICKSON: It is a very interesting topic, and I think we are all heading in the one direction—it is just a matter of how we get there. I neglected to ask a question earlier when we were talking about the wholesale, supply and cost and so on of smoking. How much study has gone into chop chop, which is the illegally produced product here in Australia? I used to be on the PCMC and we used to talk about that a lot. How much of the supply to Australians or Queenslanders in this particular case is being delivered by the black market?

Dr Young: I do not know the answer to that.

Mr West: Chop chop, or illegal tobacco, is tobacco that has not paid its excise. So it is tax evasion, and the Australian government is very serious about tax evasion and are very effective in both the border force, customs, watching illegal imports as well as movement domestically with product that has not paid its excise or its taxation. So in the ATO there is absolutely a task force and it is a key area. You will see them on TV because when they have a successful prosecution or capture of illegal tobacco it is heavily advertised, and there are jail penalties absolutely that usually apply. So the ATO does that work and some tobacco companies have different views about the amount of chop chop in the system. We work from the intelligence of the ATO and customs, and their view is that the levels of chop chop in Australia have not changed that much over recent years.

Mr DICKSON: What is the quantum?

Mr West: What is the quantum? Smaller than you think, but I can take that on notice.

Mr DICKSON: The reason I touched on it—and this is what I have led you into—is that a cigarette today is roughly worth \$1. So if people can buy this on the black market for cheaper, obviously they are going to go down that path. We know people smoke other illegal substances, which I found out a whole lot about in the last four or five weeks, which is worth \$11 billion in the illegal system. So I just wonder how much this is. I think it would be a good statistic for us to know about, because we may be driving people away from smoking and from buying the legal product, but we are pushing them into another field altogether. That may be the case, I would think.

Dr Young: I know the Commonwealth was very concerned about that with the plain paper packaging and there were a lot of allegations around at that stage. They did a lot of work and showed there was no increase. I do not know exactly what it is, but it is less than five per cent of the total cigarettes smoked in this country, so it is small. It is still a problem and it is something that the Commonwealth takes very, very seriously because you are absolutely right. If people move from legitimate cigarettes to cigarettes that are the same but they just have not had the tax applied and they are cheaper, there are major problems there. So they are keeping a very good eye on that, and they are managing that at our borders because it is brought in from overseas.

Mr DICKSON: Just so I clearly understand it, that five per cent is five per cent of the 14 per cent?

Dr Young: No, it is five per cent of the total cigarettes smoked in the country. But we will get some exact details. We will be able to do that.

Mr DICKSON: That would be fantastic. Thank you very much for your time today. I greatly appreciate it.

Mr KELLY: So we know that there are a number of policy options for trying to reduce smoking, and one of those is to increase the time cost of acquisition. If we reduce the number of outlets available, is it logical to surmise that we will in another way increase the time cost of acquisition for people who want to smoke and thereby reduce the amount of people smoking?

Dr Young: Yes, of course. At the moment we have 8,000 places that can sell cigarettes. If a decision was made by licensing that we only want 1,000 places to sell cigarettes in Queensland that of course would have an impact.

Mr KELLY: So the issue is not necessarily with the licensing, it is then what we use the licensing to achieve; is that correct?

Dr Young: Yes.

Mr KELLY: Looking at the New South Wales public health study here, on page 3 they note that there is some association between proximity and density of retail outlets and smoking cessation attempts and there is evidence to suggest that living closer to tobacco retailers negatively affects cessation efforts. When you go through the list of references there are seven or eight studies there, some Australian and some international. So clearly that is a policy objective that would assist with decreasing the rate of smoking.

Dr Young: Yes, and we would be leading the country. No other state has used their licensing scheme to reduce the number of outlets. So if we were to do that, we would lead the nation. There is absolutely no doubt in my mind that if you decrease the number of places which sell cigarettes, then you will decrease the number of people smoking.

Mr KELLY: Where does this rule that we can only use a licensing scheme to recoup costs come from? What is that driven by?

Dr Young: That is just standard government practice. Queensland Treasury, I am told.

Mr KELLY: But government could change that practice.

Dr Young: Yes, of course.

Mr KELLY: And if we were having a smaller number of licences across the state, we might do something like an auction system or something like that.

Dr Young: That would be up to other people to decide. But I am told that those current arrangements are determined by Queensland Treasury.

CHAIR: Thank you very much, Dr Young, Ms Pulsford and Mr West, for your time today and for the additional information you have provided in regard to our questions. You are obviously very knowledgeable.

Committee adjourned at 9.53 am