



Speech By
Hon. Tim Nicholls

MEMBER FOR CLAYFIELD

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**TOBACCO AND OTHER SMOKING PRODUCTS (DISMANTLING ILLEGAL
TRADE) AND OTHER LEGISLATION AMENDMENT BILL**

Second Reading

 **Hon. TJ NICHOLLS** (Clayfield—LNP) (Minister for Health and Ambulance Services) (3.15 pm):
I move—

That the bill be now read a second time.

I start by thanking the Health, Environment and Innovation Committee for its thorough consideration of the bill and all individuals and organisations who contributed to the inquiry. I note that the committee made one recommendation: that the bill be passed. I welcome and appreciate the committee's support and note that there was no statement of reservation.

This bill is the Crisafulli government's latest escalation in its war against rogue tobacco and vape traders. Queenslanders expect a strong, coordinated response to illicit tobacco and vaping products, and the most recent enforcement results show clearly why these reforms are needed. In our first full year in office, we have seized nearly half a million vapes, over 57 million illicit cigarettes, more than seven tonnes of illicit loose tobacco and 405,000 nicotine pouches. We have issued more than \$72 million in fines, more than \$60 million of which relate just to illicit supply and possession.

This reflects both the tireless work of our enforcement teams—and I thank them for all of their hard work—and the impact of our nation-leading fines which were introduced earlier this year, which are 10 times higher than those that existed under Labor. These stronger penalties hit these rogue traders and illicit operators where it hurts: in the hip pocket.

This bill will empower Queensland Health to take even more decisive action to dismantle the business models that make illicit tobacco and vaping profitable. It brings together a comprehensive suite of financial disincentives, modern investigative tools and strengthened enforcement powers, including several that break new ground in Australia and beyond. Together, these nation-leading reforms will help us disrupt the financial incentives—the profit motive—fuelling these illicit markets, protect the health of Queenslanders, and restore safety and integrity to our retail environments. They will deliver on a core government commitment to deliver safety where you live.

Vaping has become a full-blown epidemic. This did not happen by accident and it did not happen overnight. It has been driven by a coordinated effort to seed demand among young people through colourful packaging, confectionary flavours, influencer campaigns and aggressive online placement. The strategy is clear: position vapes as harmless lifestyle accessories and saturate the environments where young people spend their time. The result has been an explosive growth in use among children and adolescents who, only a few years ago, had no meaningful exposure to nicotine.

These tactics are not new. They echo the same playbook used by the tobacco industry decades ago to hook entire generations of Australians on cigarettes. Slick imagery, youth oriented branding and manufactured claims of safety were once the tools used to normalise smoking. Today, we see the same methods repackaged for vapes. The products may look different, but the underlying aim is the same: grow a long-term customer base by capturing young people early.

The consequences are already emerging in the data: vaping is not simply increasing alongside smoking; it is helping to drive smoking back up. Young people who vape are substantially more likely to take up cigarettes, and we are now seeing clear signs of reversal in smoking prevalence after decades of steady decline. This is not a theoretical risk. It is a real and measurable erosion of Australia's world-leading tobacco control achievements.

The normalisation of these products also masks the reality that many are chemically unpredictable and fundamentally unsafe. Vapes are being sold containing toxic chemicals like antifreeze, volatile compounds found in paint and heavy-duty cleaners and even formaldehyde. More recently, some vapes have even been found to contain nitazenes, a synthetic opioid said to be 500 times more potent than heroin. Layered over these health risks is a serious criminal dimension. The illicit tobacco and vaping market has become a lucrative revenue stream for organised crime groups. These networks import vast quantities of unregulated products, launder the proceeds and use intimidation tactics against legitimate retailers. Communities are seeing the consequences in the form of firebombings, assaults and a growing disregard for the rule of law connected with the trade.

Enough is enough. The Crisafulli government will not stand idle while illegal products place Queenslanders, particularly our children, at risk. This government is drawing a hard line to dismantle this dangerous trade and to protect public health. The reforms in this bill are comprehensive and uncompromising. They strike directly at the drivers of this dangerous and illegal economy—the profits, the premises and the people behind it.

The importance of these new laws has been recognised by public health advocates. Matt Gardiner, the Chief Executive Officer of Cancer Council Queensland, said, 'These reforms are essential to safeguard decades of progress in tobacco control and ensure stronger protections for Queensland communities.' Laura Hunter, CEO of the Australian Council on Smoking and Health, said—

... we strongly support this bill. It is an essential and long-overdue step to reduce the supply of illicit tobacco and vaping products across Queensland ...

It is no exaggeration to say that this bill is nation leading. Stakeholders have described it as such. The Shopping Centre Council of Australia's CEO, Angus Nardi, said, 'These laws will be a model for other jurisdictions.' As a case in point, just last week New South Wales, for the second time, introduced reforms that replicate measures in this bill. They are following our lead and it is further proof that Queensland is leading the nation. Even then, our approach goes further and remains nation leading in both its strength and its scope.

As Queensland sets the model for the other states and territories to follow, let's not forget that the Commonwealth government again needs to step up. State and territory governments are at the end of the conveyor belt, taking action against illicit and counterfeit goods successfully smuggled into this country. The Commonwealth needs to pull every available lever to stop these goods getting through the border and into the country in the first place.

I will now outline the key amendments proposed. The bill attacks the illicit trade from every angle: by cutting off profits, closing premises, exposing complicit landlords and removing the financial rewards that sustain this illegal industry. First, the bill introduces strong and decisive closure powers that will empower Queensland Health to slam the doors shut on illicit tobacco and vape shops for three months, not for a token three days. Labor's long weekends off for law-breakers will be no more. The bill also doubles the maximum duration of court ordered closure orders, from six months to 12 months. These extended closure powers strip offenders of their trading power and deliver a direct hit to their profit margins. If we are going to the effort of closing and penalising these perpetrators through the court system, as we have successfully done in Hervey Bay I might say, then we need to shut them down for longer.

To make these closure powers all the more effective and durable, it will become a criminal offence to open, trade or even work in a business and premises that is subject to a closure order. This ensures that when a business is ordered to shut down it stays shut—no backdoor trading, no processing online orders, no excuses. Closed means closed. By closing all of Labor's loopholes for continued operation, these reforms give our enforcement officers the authority they need to stamp out illicit tobacco and vape sales with confidence and with force. As the parliamentary committee heard, these new powers are a game changer in the fight against this illegal trade.

In addition to closing down premises, the bill targets the continued occupation of those premises by illicit traders. For the first time, it directly addresses the role of commercial landlords in dealing with tenants engaged in this illegal activity. The bill gives landlords a clear statutory power to terminate commercial leases where the leased premises are subject to closure orders. This ensures that criminal enterprises cannot continue to occupy retail spaces, while protecting landlords who do act responsibly. Evicted offenders will lose their premises, they will lose their bond and they will lose their ability to profit from illegal activity. This will make it harder for organised crime to find willing landlords or new shopfronts for their operations.

We know that most landlords are honest and want to comply with the law. While many landlords act swiftly and responsibly, there are no doubt some who knowingly profit from the illicit trade and enable these operations to continue. That is why the bill introduces a new offence and civil penalties to hold complicit landlords to account. A landlord who knowingly permits their premises to be used for the supply or possession of illicit tobacco or illicit nicotine products will face penalties of up to \$166,900, or one year's imprisonment, or over \$834,000 for corporations. Those who deliberately turn a blind eye to unlawful activity will face civil penalties of the same magnitude. This sends a clear message: ignorance is not a defence when it comes to organised crime.

However, we know that cracking down on premises and landlords means little unless illegal operations can be found and proven. That is why the bill also strengthens Queensland Health's detection and investigation powers. It expands warrantless entry into wholesale premises, enhances information-gathering powers and tightens checks on licence applications. Importantly, the bill introduces controlled purchase operations. Under the former Labor government's laws, enforcement officers lacked the tools to catch illegal retailers in the act. Under this bill, authorised Queensland Health officers will be able to supervise trained adult participants to attempt controlled purchases of illicit tobacco or vaping products. In effect, as was described in the committee, this is similar to the mystery shopper but with far greater consequences.

These operations are proven, proportionate and effective. They mirror frameworks used successfully in alcohol and tobacco enforcement across Australia. Each operation will be carefully approved, recorded and monitored, ensuring integrity and accountability. Controlled purchase operations will provide the kind of direct admissible evidence that leads to prosecutions—and to successful prosecutions. They will expose illegal operators who hide illicit products behind the counter or store vapes out the back or in hidden cupboards or cubicles and will send a strong deterrent message that compliance is not optional. For organised crime, this represents a real threat: consistent, proactive and impactful enforcement that makes illegal trading both high-risk and unprofitable.

Beyond detection, the bill ensures that those caught can no longer treat penalties as simply another cost of doing business. This includes changes to expose company directors who hide behind the legal fiction of their company, who hide behind what is known as the corporate veil, to avoid liability. Executive officers of companies that commit offences will be personally liable unless they can demonstrate they took reasonable steps to prevent the offence. This will streamline enforcement action against dodgy operators who think they can avoid personal liability by operating as a company.

The bill also tackles another tactic used by illicit traders: mixing lawful and unlawful stock to disguise their operations. Under the new compromised goods framework, authorised officers will be able to seize all legal smoking products, hookahs and related components when they are found in connection with illicit tobacco or vaping products. Not only will the illicit products be able to be seized but the legal tobacco products will be seized at the same time. The rationale is simple: goods that form part of, or help facilitate, an illegal business are themselves compromised. They are part of the criminal enterprise and activity. They should not be excluded. This approach dismantles the 'dual business' model that illicit traders rely upon, where legal products at the front of the shop conceal illegal trade carried on under or behind the counter. By removing both illicit and compromised lawful goods, the framework imposes immediate financial consequences on offenders and ensures that engaging in the illicit market is and becomes an unsustainable business decision.

Finally, to ensure all these powers can be used efficiently, the bill modernises enforcement processes. To enable more targeted enforcement, the bill introduces evidentiary certificates to simplify prosecutions, expands seizure powers and establishes new penalty infringement notice offences. These are practical measures that will reduce the administrative burden and ensure that enforcement is swift, consistent and effective.

Before I conclude, I advise the House that I will be moving amendments to the bill during the consideration in detail stage. Those amendments have been circulated. These amendments will respond to the rising scourge of nitrous oxide, or nangs as they are better known, and these products

are increasingly sold using the same illicit networks that traffic illegal vapes and tobacco. The amendments will expand the bill's compromised goods framework so that authorised officers can seize these products when found alongside illicit tobacco or vapes, closing yet another loophole exploited for profit.

I want to acknowledge the member for Greenslopes, who wrote to me about nitrous oxide a few months ago and spoke in this place about it. In doing so, he shared with me a story about a family in his electorate who have experienced the challenges of nitrous oxide addiction firsthand. Their child has suffered physical and mental health challenges as a result of nang abuse—nitrous oxide abuse—leading to social problems, antisocial behaviour and major challenges finishing school and transitioning into further study. These challenges highlight just how dangerous the misuse of nitrous oxide and the ready prevalence of these nangs really are.

I want to thank the member for Greenslopes for sharing this story with me and for being a constructive member of this place. He has been far more effective and constructive as the shadow assistant minister for health than his senior shadow minister, the member for Miller. The member for Greenslopes has been a constructive member of this place. I advised the member for Greenslopes at the time that we were actively looking at this problem and I am pleased that, with these amendments, enforcement officers will be able to remove nangs from illegal stores peddling these goods to kids and teenagers.

However, there is more to be done on nitrous oxide because it is a legal product that has many legitimate uses in both medicine and dentistry and in various other areas of endeavour. We will continue to investigate how that can be safely regulated. These amendments in respect of nangs as circulated today continue the Crisafulli government's strong stance in protecting the health and safety of Queenslanders by ensuring our enforcement powers keep pace with the ever-increasing and evolving tactics of organised crime.

The illicit tobacco and vaping trade is not only a threat to public health but also a lucrative enterprise that funds organised crime, exploits addiction and undermines Queensland's health and justice systems. The Crisafulli government is committed to protecting Queenslanders, especially our young people, from the harms of nicotine addiction and the reach of organised crime. These reforms give Queensland Health the vital tools to protect public health and keep dangerous products off our streets. With these reforms, we will hit rogue traders where it hurts—their hip pockets; we will seize the illicit and compromised stock to deprive them of generating a profit; we will shut them down for three months, not three days; and we will hit them with the nation-leading fines we introduced earlier this year. Importantly, if we find out that their landlord is enabling them in this illegal trade, then we will go after them as well.

This bill is a decisive step to safeguard our communities and protect the health of future generations. It sends a clear message that Queensland will not give up ground to organised crime or unscrupulous businesses that are willing to push dangerous and addictive products for financial gain. We will not sacrifice the hard-won public health gains of the last 50 years. Queensland is leading the nation in tackling this challenge head-on and I look forward to more jurisdictions following our lead. In doing so, I commend this bill to the House.