



The Hon. Danny Pearson MP

Assistant Treasurer
Minister for Regulatory Reform
Minister for Government Services
Minister for Creative Industries

Level 5, 1 Macarthur Street
East Melbourne Victoria 3002
Telephone: +61 3 7005 8911
DX210759

D21/191925

Ms Anna Cronin
Commissioner for Better Regulation
Level 5, 1 Macarthur St
EAST MELBOURNE VIC 3002

Dear Commissioner

REQUEST FOR ADVICE ON VICTORIA'S APPROACH TO ILLICIT TOBACCO REGULATION

As you are aware, smoking rates in Victoria have declined over time, demonstrating the success of robust anti-smoking laws and policies to reduce the widespread harm caused by tobacco.

However, illicit tobacco is increasingly becoming a concern. Illicit tobacco works against collective efforts to reduce smoking and tobacco-related harm because it undermines tobacco control measures such as tobacco price increases and plain packaging. Illicit tobacco also targets the most disadvantaged communities, which already have higher smoking rates, because it is sold significantly more cheaply than regulated tobacco. Victorian businesses that do the right thing and comply with laws are impacted by illicit tobacco sales through lost profits.

While there has been considerable effort made by all levels of government to tackle the problem of illicit tobacco, a recent report by the Australian Parliamentary Joint Committee on Law and Enforcement found that more could be done.

Your role as Commissioner for Better Regulation provides an opportunity to undertake an independent review of Victoria's approach to illicit tobacco regulation. I am therefore requesting you to prepare a report on:

1. the current regulatory framework for tobacco in Victoria, with a focus on regulation of illicit tobacco;
 - this includes the licensing, compliance and regulatory powers relevant to sales of all tobacco
2. the regulatory frameworks applying in other relevant jurisdictions;
3. recommendations for improvement, having regard to the nature of illicit tobacco sales and the parties involved;
4. possible pathways to implement these recommendations, including whether new legislation and/or regulation is required;
5. the costs and benefits of the preferred approach; and

6. funding considerations including possible sources of funds that may be available to assist regulation of tobacco production and sales.

The review is to focus on the regulatory system relating to illicit tobacco, rather than enforcement matters.

In preparing this report, you are encouraged to use any relevant publicly available information and are also authorised to access confidential information held by Victorian Government agencies where this would provide useful context.

I also encourage you to hold consultations with relevant parties including the Department of Health, Local Government Victoria, Municipal Association of Victoria, Victorian Police, Department of Justice and Community Safety, retailers and the tobacco industry.

Please provide a report to me and the Minister for Health within six months of receipt of this letter. Publication of the report will be at the discretion of myself and the Minister for Health.

If you have any questions please contact Chris Archer, Director, Department of Treasury and Finance on chris.archer@df.vic.gov.au.

Yours sincerely



The Hon. Danny Pearson MP
Minister for Regulatory Reform
04/10/2021

cc. Hon Martin Foley MP, Minister for Health