

Media Release

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Tobacco companies use loopholes in legislation to influence cigarette sales: new research

New Cancer Council research has revealed how tobacco companies influence cigarette sales through offering incentives and benefits to retailers like price discounts, cash payments, prizes and gifts such as event tickets, gift cards, coupons.

The survey of 800 current tobacco retailers found that a third reported being offered at least one benefit from a tobacco company for doing something in return. Over 40% of retailers reported being provided with a tobacco cabinet and 38% reported having a price list supplied by a tobacco company.

When asked what benefits were provided by tobacco companies, price discounts were most frequently reported, followed by rebates and gifts.

Lead author and Cancer Council NSW Tobacco Control Policy Lead, Christina Watts says, "The tobacco industry is exploiting gaps in Australian tobacco advertising, promotion and sponsorship legislation, which undermines public health measures put in place to protect people.

"Whilst overt tobacco advertising was banned nationally on TV since the late-1970s, in print since 1990 and outdoors including at most sporting events since 1993, tobacco companies have continued tobacco marketing activities in retail outlets."

Retailers also reported offers of prizes and incentives for increasing sales or demonstrating product knowledge. In return, retailers reported giving companies benefits such as prominence on the price list and/or in the tobacco cabinet and/or influence over the product range and stock levels. One retailer described receiving a \$1000 bar tab allowance from a tobacco company to be spent on a staff party at a chosen venue that also sells cigarettes.

"Whilst this type of business-to-business marketing in the retail sector is often used by companies to enhance product sales, this type of marketing is unacceptable in the sale of tobacco, given the significant health costs associated with smoking. The retail environment remains a key avenue of tobacco marketing and communication to consumers and needs better regulation," Ms Watts continues.

Megan Varlow, Director, Cancer Control Policy, Cancer Council Australia, says the new research comes as the Australian Government is looking to further reduce the harms of smoking, and is consulting at an unprecedented level to find evidence-based policy options.

"The federal Minister for Health, Greg Hunt, has committed to reducing smoking rates to below 10% by 2025 and is leading a landmark national preventive health strategy. His Department is undertaking a thematic review of tobacco control legislation in Australia to help ensure they are effective and up to date. Publication of this new research is therefore timely," Ms Varlow says.

"Despite smoking rates halving over the past 25 years, the tobacco industry continues to undermine public health policies – increasingly through retailer incentives. For example, the most effective measure to reduce smoking prevalence has been pricing, so it's no surprise that price discounting is the most frequently reported benefit rewarded by the tobacco industry," Ms Watts concludes.

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Media contacts:

Cancer Council: Eden Patrick, Cancer Council NSW, T: (02) 9334 1903; M: 0421 517 245;
eden.patrick@nswcc.org.au

Notes to editor

About the study

- *'Friends with benefits': how tobacco companies influence sales through the provision of incentives and benefits to retailers* is published in Tobacco Control.
- A telephone survey of 4527 randomly selected Australian retailers was conducted in August 2018 and identified 800 current tobacco retailers (response rate: 72.4%) who were asked a series of questions about benefits offered to them by tobacco companies and what retailers agreed to in return.
- 41.1% of retailers reported being provided with a tobacco cabinet and 38.3% reported having a price list supplied by a tobacco company. One-third (33.3%) reported being offered at least one benefit from a tobacco company for doing something in return. Price discounts were the most frequently reported benefit (19.0%), followed by rebates (8.4%) and gifts (3.0%).

About Cancer Council

Cancer Council is Australia's leading cancer charity working across every aspect of every cancer. Every day, we support families affected by cancer when they need it most, speak out on behalf of the community on cancer issues, empower people to reduce their cancer risk, and find new ways to better detect and treat cancer. With your help, we're getting closer to a cancer free future every minute, every hour, every day.